

## SUSTAINABILITY REPORT 2008

**FLUOR®**

## ENVIRONMENTAL SAVINGS\*

**The printing of this report employed energy-efficient methods using power from a 100% wind-powered utility provider that saved our environment approximately 3.8 metric tons of carbon dioxide gasses. In addition, the use of recycled paper saved water and oxygen-producing trees while reducing the amount of air emissions and new solid waste. Overall, the sustainable printing practices used saved roughly the equivalent of:**

- CO<sub>2</sub> emissions from 427 gallons of burned gasoline.
- CO<sub>2</sub> emissions from 157 propane cylinders used in home barbeques.
- The amount of greenhouse gas emissions avoided by recycling 1.3 tons of waste instead of sending it to a landfill.
- 2,605 gallons of water: enough for 151 eight-minute showers.
- 334 lbs of solid waste: enough to fill a dozen 32-gallon garbage cans.
- 4,330,000 BTUs of energy: enough to power the average American household for 20 days.

\*Environmental savings data provided by Williamson Printing and has not been independently verified by Fluor Corporation.



Safety. Integrity. Teamwork. Excellence.  
Four simple yet profound words. For almost a century, they've been the foundation of our success. These values that have led us in the past are guiding us into a future that fights corruption; champions community and social services; advances and protects our employees; and takes care of the environment in which we work.

# FLUOR PRESENTS ITS FIRST ANNUAL SUSTAINABILITY REPORT.

## About the Report.

Fluor is pleased to present its first annual Sustainability Report, covering the calendar year 2008.

While the company has over the past four years issued reports focusing on health, safety & environmental activities, this complete Sustainability Report was developed using the Global Reporting Initiative's G3 Sustainability Reporting Guidelines to promote transparency and accountability. By using this widely recognized standard of reporting, Fluor will enable its sustainability performance to be measured and improved annually, while also making it comparable to those of other corporations.

While written to address the Global Reporting Initiative's guidelines, this report also was developed to reflect Fluor's core values of Safety, Integrity, Teamwork and Excellence, which are the foundation of Fluor's business operations. These values permeate the company's strategies and drive the actions of our global workforce. And while our core values are enduring, we

leverage them to address the world's evolving sustainability challenges and opportunities. It is these underlying core values that have supported Fluor's success to date and will influence its sustainability practices for a better tomorrow.

Fluor's report covers all of its business groups, wholly-owned subsidiaries and majority-owned joint ventures worldwide and their material economic, environmental and social impacts. It was developed for the interest and benefit of Fluor clients, employees, shareholders, lenders, financial analysts, rating agencies, suppliers and subcontractors, non-governmental organizations, media and the communities in which the company operates.

Materiality of content included in this 2008 Sustainability Report and its prioritization were assessed and determined by Fluor's Sustainability Committee, which has representation from senior executive management; Compliance & Ethics; Corporate Affairs;

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Corporate Development; Government Relations; Health, Safety & Environmental; Human Resources; Investor Relations; Law; Project Development & Investments; Public Affairs; and Sales & Strategic Planning.

In this document, Fluor reports on only those G3 indicators that were relevant to its business operations and measurable in 2008. In the context of Fluor's carbon footprint, this Sustainability Report represents emissions produced within the defined boundary and excludes emissions produced at client sites. However, all health, safety, environmental, economic, stakeholder engagement, governance, human rights, labor practices, philanthropy and community service data included in this report cover all Fluor employees wherever they work and all subcontractors for which Fluor is contractually responsible.

This inaugural Sustainability Report has not been audited by a third party. However, Fluor does recognize the importance of independent external assurance to enhance the credibility of its reports; therefore, the company will examine options to obtain third-party review of future reports.

Located off the northwest coast of Trinidad in 530 feet of water, the 4,267-ton Poinsettia platform is the largest ever constructed by local labor and installed in these waters. Built for BG Trinidad & Tobago Ltd., it extracts natural gas from the ocean floor and serves as an excellent source of clean-burning energy.



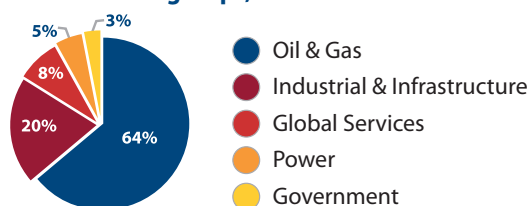
# BUILDING OUR FUTURE IS AN ONGOING PROJECT.

## About the Company.

Headquartered in Irving, TX, Fluor Corporation (NYSE: FLR) is one of the world's leading and largest publicly traded engineering, procurement, construction, maintenance and project management services companies. For nearly 100 years, Fluor employees have designed, built and maintained many of the world's most complex and challenging industrial projects in ways that increase their clients' competitiveness and long-term business success.

Consistently rated as one of the world's safest contractors, Fluor's primary objective is to develop, execute and maintain capital projects on schedule, within budget and with operational excellence. With more than 40 major global offices, the company operates in more than 60 countries, executing more than 1,000 projects annually. The company serves clients in the petrochemicals; oil and gas; commercial and institutional; government; life sciences; manufacturing; microelectronics; mining; power; telecommunications; and transportation infrastructure industries.

### Fluor has five business groups, which include:



### Fluor's backlog distribution by region at year end was:



Fluor's market capitalization on December 31, 2008, was \$8.1 billion. For 2008, revenues were \$22.3 billion with net earnings of \$720.5 million. Cash and marketable securities at December 31, 2008, were \$2.1 billion. Total assets were \$6.4 billion, and debt was \$151.3 million. Total shareholders' equity was \$2.7 billion. Fluor experienced no material changes in size and structure during 2008, although some developments are outlined in the Appendix on page 61.

In 2008, more than 42,000 employees – 28,000 salaried and 14,000 craft/hourly – performed over 87 million hours of work for Fluor's global client base. More than 60 percent of these employees are located in the United States; 20 percent in the Europe, Africa and Middle East region; and 10 percent each in Asia Pacific and North and South America (excluding the United States).



**“At its core, Fluor has always been passionate about doing the right thing. Based on these traditions and commitments, we’ve evolved as a company both in recognizing our role in the world and in the day-to-day actions we take while pursuing and executing our projects. A core part of our business model is to make decisions and execute strategies that proactively identify and address relevant sustainability issues and challenges. Our Sustainability Committee ensures we never lose sight of the importance of our company’s social, economic and environmental stewardship.”**

**– Steve Dobbs  
Senior Group President, Fluor and Chair,  
Fluor Sustainability Committee**

Fluor, in joint partnership with Airtricity, is designing and building the world’s largest offshore wind farm project off the coast of the United Kingdom, which will provide carbon-neutral, renewable electricity for more than 415,000 homes. Wind farms like the one pictured here, a completed Airtricity project, represent just one facet of our company’s strategy to make meaningful reductions in carbon emissions and provide significant amounts of new, clean and renewable energy.





# A MESSAGE FROM THE CEO.

## Dear Valued Stakeholder,

With more than 42,000 employees working across six continents, we at Fluor Corporation have the extraordinary opportunity to see and touch many facets of the global community. Our employees work with governments and the leading corporations of vital industries to build the world's largest and most technically challenging projects – projects that fuel global commerce, stimulate economic development and improve the quality of life for millions of people around the world.

We have seen firsthand the benefits and challenges of our world's industrial progress. While “sustainability” is a relatively new word in the common vocabulary, actively engaging in issues that impact the world is not a new concept at Fluor. For nearly 100 years, the sustainable practices of our employees have been a natural part of our builder's culture and integral to our company's strategies, daily operations and success. Helping clients in ways that also serve the greater good is another long-held tradition. Every day, Fluor helps clients safeguard the environment, conserve energy, protect lives and strengthen the economies and social structures of the communities where we work globally.



**Alan L. Boeckmann**  
Chairman & Chief Executive Officer

For us, sustainability begins with our core values of Safety, Integrity, Teamwork and Excellence, and for this reason, it is the theme of our inaugural annual global Sustainability Report – one that mirrors the Global Reporting Initiative's G3 Sustainability Reporting Guidelines. These values are prominent throughout our corporate culture and are the starting point for every action of a Fluor employee. They have driven our superior performance through many decades and serve as the touchstone for all of our sustainability efforts. In the search for excellence across our operational activities, we never forget that sustainability is an ongoing process of self-examination and improvement. In this report, I'm pleased to describe the many significant contributions Fluor has made to sustainable endeavors, address the areas where we believe we can have a greater impact and outline our plans to do so.

## Always Looking Toward Tomorrow

We recognize that our efforts so far, as impressive as they may be, are the first strides on a long and continuous road. There's still much more to be done. Today's environment offers as many, if not more, challenges as it does opportunities. As a global community, we need to increase sustainable construction efforts; improve energy efficiency and develop more alternative energy sources; mitigate environmental damage and address climate change; conserve and sustain the use of renewable natural resources to ensure regenerative capacity; reduce waste and increase recycling; improve human rights issues; increase the security of our resources (energy, food, water); develop technologies to solve problems; improve safety; reduce foreseeable risks; and restore endangered environments. And we need to do all this at a time when economies around the world are suffering from the worst financial and credit crises seen in eight decades. While our corporate responsibility efforts over the past several decades have required considerable investments, we believe they have also had a favorable net impact on operating costs and productivity. They not only benefit our stakeholders and the public at large but help us identify risks and new areas for business. For these reasons and many others, we remain wholly committed to maintaining these efforts on an ongoing basis.

Today, we are operating in a global context that has increased our interdependence and need for collaboration. Developing countries require power to raise standards of living; cities need to provide infrastructure that will enhance quality of life; and the demand for cleaner, more efficient fuels has never been greater. The challenges of sustainable development are many, and companies like Fluor have not only a responsibility but also a great ability to exert positive change on such conditions. We often go beyond legal requirements and traditional practices to do business in socially, economically and environmentally responsible ways. Our focus on sustainability drives our decisions and is the foundation upon which we operate.



## **“FOR NEARLY 100 YEARS, THE SUSTAINABLE PRACTICES OF OUR EMPLOYEES HAVE BEEN A NATURAL PART OF OUR BUILDER’S CULTURE.”**

In 2009, we will raise the bar even higher on our goals, expectations and performance to support the global economy’s critical need for commercial growth and success, while also continuing to honor our ethical values and respect for people, support for communities and protection of the natural environment. I invite you to read this Sustainability Report, to learn how Fluor has significantly contributed to economic advancement in ways that protect and sustain future generations, and to hold us to a higher level of excellence in all of our operations.

I spend a considerable amount of time with our clients around the world and with non-governmental organizations like Transparency International and the World Economic Forum, which – like me – believe that change is possible. Each and every day, we at Fluor will strive to set a benchmark for excellence in our business and project operations and to serve as a model of corporate citizenship and sustainability for other companies to emulate. We will continue to judiciously manage our business operations to safeguard Fluor’s reputation and to retain the respect of all those associated with us.

In the end, it all comes down to commitment, perseverance and leadership. Our commitment to a sustainable future is deeply embedded in our long-standing company values of Safety, Integrity, Teamwork and Excellence, as well as in our Code of Conduct. As builders of the world’s infrastructure, the employees of Fluor know the importance of the work they do. Beginning with me and extending to every employee in Fluor, we are leveraging our strengths and practicing sustainability in all aspects of our work. We are proud of our dedication to sustainability and look forward to even greater achievements in 2009.

By practicing our values and having straight dialogue every day about our impact, we step closer to the goal of a better future we all hope to achieve in this journey we collectively share.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alan L. Boeckmann".

Alan L. Boeckmann  
Chairman & Chief Executive Officer

## 2008 HIGHLIGHTS

Fluor is proud of its work in 2008 and well positioned to further strengthen our performance across a variety of economic, environmental and social arenas in 2009. This is due, in part, to the company's unprecedented financial success in 2008 and its continued advancement of technologies and operating practices that better protect human and physical assets. Over the past year, our company has made significant strides across several areas.

### Winning several key project awards for responsible energy:

- The Fluor-led \$4 billion environmental management, operations and remediation partnership for the Department of Energy's Savannah River Nuclear Site in South Carolina.
- The \$1.8 billion design and construction contract for the world's largest offshore wind farm project off the coast of the United Kingdom, which will provide carbon-neutral, renewable electricity for more than 415,000 homes.
- The formation of a strategic partnership with E.ON Energie AG for the development of a retrofitted pilot plant in Germany, using Fluor's proprietary and commercially proven Econamine FG+<sup>SM</sup> carbon capture technology, which creates a secure, affordable and dependable low-carbon power generation solution using coal as a fuel source.
- The expansion and retrofit of several U.S. refineries for Marathon Oil and Total to increase the production of lower-emission transportation fuels.
- The contract to develop Renewable Energy Corporation's new solar panel manufacturing complex in Singapore, which will produce wafers, cells and modules for the growing solar value chain market.
- The installation of state-of-the-art nitrogen oxide emission controls at Luminant's Sandow Power Plant in Texas to improve air quality.
- The \$1 billion engineering, procurement and construction contract to build USEC's American Centrifuge Plant in Ohio, which will assist our client in providing dependable, long-term U.S.-owned nuclear fuel production capacity needed to support the country's existing nuclear plants, as well as those expected to be built in the future.

### As well as achieving other significant milestones that are equally valuable to us:

- Being named one of the World's Most Ethical Companies by *Ethisphere Magazine*.
- Earning the #1 position in the engineering & construction category on *FORTUNE* magazine's World's Most Admired Companies listing.
- Being selected in the top 10 Most Trustworthy Companies in America by *Forbes* magazine.
- Receiving the Energy and Environmental Excellence Award, which honors significant contributions made toward meeting global energy challenges through innovation and technology, given by Hart Energy Publishing.
- Being selected by the Occupational Safety and Health Administration as one of only seven U.S. companies to participate in its Voluntary Protection Program's Corporate Pilot that recognizes companies for their strong commitment to employee health and safety.
- Earning several nuclear certificates of accreditation and authorization from the American Society of Mechanical Engineers to develop safe nuclear projects that produce clean energy.
- Establishing a Sustainability Committee, with representation from the highest levels of the company, to actively manage Fluor's endeavors in economic, social and environmental areas.
- Assessing Fluor's carbon footprint, a critical building block of our climate-change strategy, with data collected from our offices in more than 25 countries.
- Supporting efforts in our offices and at project sites worldwide to increase energy efficiency and implement waste-management and recycling programs.
- Supporting the continued growth of the Partnering Against Corruption Initiative, the only business-driven, multi-industry anti-corruption effort worldwide – one of many that Fluor is involved in with the World Economic Forum.
- Contributing \$138 million to organizations around the globe through the Fluor Foundation and corporate resources, since the establishment of the Foundation in 1952.

TS Power Plant in Nevada is an excellent example of the future of the modern pulverized coal plant design. Fluor completed the engineering, procurement and construction of the 242-megawatt project during 2008, delivering an innovative design and world-class technology within budget, ahead of schedule and with a stellar safety record of 3 million hours without a lost-time accident.

**“WE NEVER FORGET THAT SUSTAINABILITY IS AN ONGOING PROCESS OF SELF-EXAMINATION AND IMPROVEMENT.”**



# WE'RE ALL IN IT TOGETHER.

## Stakeholder Engagement.

Earning the trust of our stakeholders is a priority at Fluor. Supporting and collaborating with our stakeholders increases the company's opportunities for success. We take a proactive approach to fully understand our stakeholders' needs and determine how we can apply our expertise to meet them. Gaining this kind of knowledge and insight calls for genuine dialogue, active listening and open-minded inquiry, not only at the beginning of a stakeholder relationship but on an ongoing basis.

Developing engagement plans for varying stakeholder groups that are most impacted by Fluor's global operations is the responsibility of respective business and functional leaders within the company. Engagement with stakeholders is a point of discussion during senior management meetings.

Fluor engages with its stakeholders in a variety of frequent formal and informal contexts, all carried out to promote an active exchange of information and viewpoints.

In the execution of our clients' projects, we work closely with them, often times as more than just their contractor but as business partners, to ensure the best project outcomes. At the end of projects, we conduct formal client review surveys to assess their perception of our performance and quality and identify ways to improve our service offering and their customer satisfaction. Similar surveys and methods of communication are also conducted among subcontractors and suppliers.

Likewise, the company places a high priority on continual and candid communication with its global workforce. This is achieved through a variety of media, including electronic (intranet and email), face-to-face meetings and, of course, day-to-day interactions. Supervisors are periodically provided with communication toolkits to help facilitate and guide their discussions with employees on important matters within the company. While many of these activities provide opportunities for two-way dialogue, the company also obtains feedback on employees' perceptions through a comprehensive Employee Engagement Survey, which is conducted every few years.

Communication also occurs on a regular basis with the company's shareholders and other members of the financial community. This involves quarterly conference calls to review earnings performance; presentations at analyst conferences; meetings with bankers, rating agencies and financial analysts throughout the course of the year; and an ongoing dialogue telephonically.

At the inception of and throughout the life of a construction project, the company customarily takes an active approach to engagement with community stakeholders. The purpose of this is to listen to their concerns, understand what our impacts are and what matters most to them and ultimately involve them in the decision making of the project's execution plan. Such communication takes place in a variety of ways, such as meetings with community leaders, advisory panels and community panels as well as town hall events with the public, focus groups, newsletters and other ways. We also take a lead role in investing our resources to ensure local economic development and social benefits to the community.

Other endeavors include a robust and timely website, [www.fluor.com](http://www.fluor.com), to communicate with the public at large, as well as employee involvement in a variety of societal institutions, including the World Economic Forum, Transparency International, Basel Institute on Governance and World Bank; community organizations, including United Way; and industry associations, such as the American Petroleum Institute. All of the engagement efforts described above are long-standing and have been proven successful.

Because of Fluor's active and ongoing engagement with its stakeholders, the company is able to proactively address issues and achieve positive outcomes across its global operations that benefit these constituencies. While there are many efforts that have resulted from our stakeholder engagement, four examples of activities from 2008 are detailed on page 11.



## Clients

Through our formal client review surveys and ongoing dialogue, Fluor has advanced its efforts to address the increasing challenges being faced by businesses today. The credit and financial crises that unfolded in the second half of 2008 have put increasing pressure on clients to lower their operating costs and identify greater efficiencies throughout their capital programs. We continue to introduce new technologies to our clients that make their projects and facilities more cost competitive. Our employees are encouraged to be innovative and bring ideas forward to save our clients money through structured Value Awareness Programs. For example, in 2008 we helped a major industrial client realize significant savings by recommending new work processes for the more efficient operation of boilers and chillers in its plant. This is just one of many examples in which Fluor is engaging with its clients and responding to make them more competitive and successful in their markets.

## Employees

Based on feedback from Fluor's global Employee Engagement Survey, teams were assigned to make changes that would raise employee engagement ratings across multiple dimensions (corporate, business groups, functions, locations, field staff, etc.). At the corporate level, four teams worked to develop a four-day Fluor Leadership Summit to enhance employees' leadership skills and business acumen; to design and implement a new, globally consistent Performance Appraisal System; to produce a modified framework for Global Functional Tracks, which incorporated more than 50 improvement suggestions; and to upgrade technology and enhance design of the company's electronic employee communications systems. Furthermore and equally important, the company also made considerable investments last year to increase its training offerings through a new and comprehensive program called Fluor University.

## Shareholders

During 2008, based on frequent dialogue with shareholders, our Investor Relations department continued to provide additional enhancements to serve their needs, including the development of a spreadsheet with current and historical financial information and supplemental slides for the quarterly earnings conference calls. In addition, the company began implementation of Notice & Access, a program that allows us to reduce the printed quantity of annual reports and proxy statements by directing the shareholder to view the materials and vote online.

## Communities

In locations where Fluor establishes a major professional presence for the purpose of serving its clients, the company also establishes a relationship with local leaders in order to have a valuable impact on the lives of people in those communities. A good example of this is found in the rural communities of northwest England, the location of a nuclear decommissioning site. Fluor's Community Relations leaders met with community representatives to assess the best ways in which the company could support the local community. Learning that the Cumbria Community Foundation is the leading grant-making organization in the region knowledgeable of local needs, Fluor launched an annual Fluor Cumbria Fund managed by the Foundation. Fluor's donations aided many social service organizations as well as youth and educational programs in the local coastal towns. Fluor introduced our "Building Futures" project at three schools, providing 500 rucksacks filled with school supplies and rain jackets and boots to the students. The first two years we were in the community, Fluor also put its support into the Great North Air Ambulance after learning that the nearest large trauma center for people in this region is a 2½-hour drive away. Known locally as the Pride of Cumbria, the operation flies approximately 200 missions every six months, bringing life-saving support in 20 minutes to injured hikers, boaters and automobile accident victims.

# WE'VE BUILT POWER PLANTS, BRIDGES, REFINERIES AND A SPOTLESS REPUTATION.

## Ethics & Compliance: A Clear Business Imperative.

Of the many public policy issues impacting global corporations today, few affect Fluor and its operations more profoundly than that of corruption. With projects and operations in more than 60 countries spanning six continents, we confront the devastating impact of bribery and corruption on an almost daily basis.

Respected institutions such as the World Bank have estimated that the total volume of bribes paid annually among all industries is well over \$1 trillion, more than 5 percent of the global GDP. More recently, a study among CEOs conducted by PricewaterhouseCoopers LLC found that 45 percent of respondents had not entered a market or pursued a specific opportunity because of corruption risks. Moreover, four in 10 reported losing a bid because of corrupt officials, and that competitors had paid bribes. Transparency International has identified the global construction industry as one of the world's most corrupt. Clearly, corruption is an issue for many companies but, in particular, a significant issue for engineering and construction firms worldwide.

Whether losing competitions for projects to those who utilize bribery as a business strategy, or paying a small amount to get something through Customs, we believe it is not only possible to address such activities, but that it has become a business imperative to do so. The need for a level playing field, particularly in our industry, has never been greater.

**"Through my travels representing Fluor, I've seen firsthand how corruption, particularly in developing countries, hurts companies, countries and their citizens. Monies squandered in such illegitimate payoffs are funds diverted from much-needed public projects, resulting in roads not built, dams not erected and schools and hospitals not constructed. While much has been done by governments and NGOs to fight corruption, global business must get involved. I believe we have a real opportunity to make a meaningful and positive impact."**

**— David Seaton**  
Senior Group President, Fluor

To this end, we have chosen to pursue two key strategies. First, we believe strongly in the notion of collective action where principled companies join together in the common purpose of taking a stand against corruption. Second, we are firmly committed to building upon our culture of ethics underpinned by our core value of Integrity, a value that has been at the center of how we do business throughout our history.

## The Power of Collective Action

Fluor believes that taking collective action has substantial benefits. Among them, collective action helps create a level playing field; improves public trust in business; influences future laws and regulations; and decreases the likelihood of future bribe demand. Moreover, the money formerly paid as bribes or used to conduct investigations can instead be invested into infrastructure improvements.

At the 2003 annual meeting of the World Economic Forum in Davos, Switzerland, Fluor Chairman and CEO Alan Boeckmann urged counterparts in the engineering and construction sector to develop and adopt a set of anti-corruption principles for the purpose of helping to eradicate bribery. Over the next year, Boeckmann chaired an effort that was facilitated by senior officials of Transparency International and the Basel Institute on Governance with the goal of developing a set of principles that could be introduced and embraced at the Forum's 2004 meeting in Davos.

The principles introduced that year covered the full spectrum of supply-side corruption issues from political contributions to facilitating payments. Adoption requires a CEO signature confirming the company's commitment to a zero-tolerance approach toward corruption, as well as agreement to implement a company-wide anti-corruption program that meets the agreed-upon principles. Starting with 19 signatory companies, the effort has expanded within the Forum to include a number of industries with more than 140 signatory companies, including such firms as The Coca-Cola Corp., Merck & Co. Inc., Microsoft Corp., Royal Dutch Shell plc and Duke Energy Corp. Now known as the Partnering Against Corruption Initiative (PACI), it has become the world's foremost private sector initiative focused on the supply side of the global anti-corruption movement. It routinely cooperates and coordinates programs and activities with Transparency International, the International Chamber of Commerce, and the U.N. Global Compact.

In addition to PACI, Fluor is a founding member of the Business Ethics Leadership Alliance. Through this alliance, we will be working with others to establish The Global Ethics Pact, an effort designed for companies across all industries for the purpose of improving business ethics.

Fluor is building a world-class polysilicon facility in China for LDK Solar, which is expected to produce 15,000 metric tons of high-purity polysilicon annually for photovoltaic solar panels that will harness the sun's energy and reduce dependence on other conventional energy sources.





**“This is an issue we’re absolutely passionate about. Corruption has a corrosive impact on market opportunities and the general business climate. It deters investment, curbs economic growth and sustainable development, distorts prices and undermines legal and judicial systems. Regrettably, this situation is endemic in many areas of the world. It is our responsibility and obligation to our stakeholders and the global community to do what we can to mitigate this challenge.”**

**– Alan L. Boeckmann  
Chairman & CEO, Fluor**

Fluor firmly believes that these forms of collective action, together with governmental action, are making a difference in turning the tide of global bribery and corruption in a more favorable direction.

## **A Culture of Ethics**

In a recent survey of global clients, “ethical” was one of three terms cited most frequently as being associated with Fluor. To us, this is not surprising. Throughout our history we have made ethical conduct a priority. We believe this is largely due to the fact that Integrity has been one of the company’s four enduring values. Setting the right tone has yielded policies and practices that clearly define what is expected of all Fluor employees. And throughout these many years, these policies and practices have been continually revised and strengthened through the company’s improvement processes. Today, we like where we are. But we know that in the future, our programs and practices will be even better...as they should be.

## **Our Standards, Monitoring & Reporting**

Fluor’s anti-corruption program is extensive. While our employees are especially vigilant when dealing with public sector officials, Fluor prohibits all forms of commercial bribery as well. This allows for clear standards that employees can easily understand no matter what the business environment or context may be.

While we strongly discourage the use of facilitating payments, we do permit them if they are allowed under local country laws and preapproved by the company’s Law Department. If a facilitating payment is made, it is specifically accounted for as outlined in the PACI Principles. We continuously reevaluate our ledger of facilitating payments to confirm compliance and to determine how they can be reduced going forward.

Fluor also limits the number of third-party agents by relying primarily on our internal sales staff. We do not have a commission-based sales structure, which contributes greatly to the management of corruption risks. If local laws require the use of a third party, we perform thorough due diligence and training and are vigilant in looking for “red flags.” We also limit the employees who are permitted to have contact with third-party agents.

Fluor incorporates anti-corruption along with a range of other ethics and compliance standards into our risk management program. For both Fluor and its clients, the task of managing risk begins when the project is still a prospect. Risk takes on a variety of forms, from country, site-specific, contract, financial, political and regulatory, to technology, schedule, plant performance guarantees and partners/subcontractors. In addition, currency, corruption, legal systems and human resource risks are considered as well. Our best approach is to seek out the root causes of what can go wrong during project execution and subsequently identify risk mitigation strategies.

Fluor’s Business Risk Management Framework is a formalized and systematic process for assessing, managing and monitoring business risks for every project we consider or execute. Before we begin pursuit of new project opportunities, we employ this framework to assess a project’s potential risks and profitability. “Bid/No Bid” decisions on contract pursuits are made based on the analysis of a project’s profile. This evaluation contains many questions focused on corruption, such as: What is the location of the project? What is the business culture? And, what third parties are locally required? Additionally, Fluor’s Internal Audit team reviews our adherence to anti-corruption standards through its regular and special audits throughout the world.

## **Compliance & Ethics: Our Approach**

Research continues to show that if the ethical climate in companies decreases, observed misconduct increases. The costs associated with compliance failures have never been greater, with increased costs of regulatory fines and lawsuits, decreased stock value, impaired reputations and distracted management. However, a strong compliance and ethics program increases a company’s ethical culture and reduces ethical risks, which, in turn, mitigates legal, financial and reputational risk and generally improves corporate risk management; protects the value of the corporate brand and customer goodwill; increases employee morale, productivity and retention; reduces cost of capital while potentially increasing shareholder value; and creates the foundation for long-term corporate sustainability.



### Our Code & Expectations

Fluor works to ensure that all employees have the tools and resources they need to maintain the highest ethical standards. Our Code of Business Conduct and Ethics is the centerpiece of our commitment to conduct business with the highest standards of integrity. Fluor provides company-wide training on our Code, with special emphasis on certain key risk areas such as anti-corruption, conflicts of interest and insider trading. At the end of 2008, more than 26,000 employees had been trained on our Code.

We also provide other training depending on the applicable risks and affected employees. For example, in 2008, approximately 400 sales and marketing, project management, field operations, procurement and other employees received live anti-corruption training. To date, a total of approximately 1,900 employees in 26 offices in 16 countries have received this training since the program's inception in 2007.

Additionally, we have a company-wide annual Ethics Certification program. All salaried employees must certify that they understand and accept the Code and are provided this additional medium to disclose any integrity concerns or potential conflicts of interest.

### Reporting

Fluor values open and transparent communication. Our management constantly reinforces our responsibility "to do the right thing." Management's messages are not necessarily scripted as part of our program, but simply reflect how we run our company.

When concerns about integrity arise, we encourage employees to go to their managers, supervisors or local Human Resources managers. If concerns are still not resolved, they can go to an expert in Corporate Security, Human Resources, Law, Internal Audit, Health, Safety & Environmental or Corporate Compliance. If their integrity concerns are still not resolved, or they do not

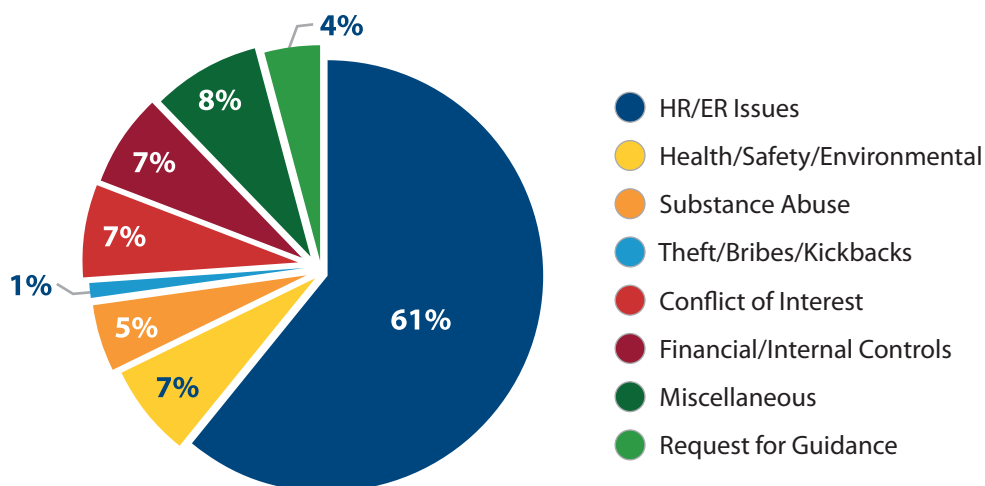
**Fluor provides online company-wide training and certification on our Code, with special emphasis on certain key risk areas such as anti-corruption, conflicts of interest and insider trading.**



feel comfortable discussing them with anyone within the company, they can anonymously call the Fluor Compliance and Ethics Hotline, which is operated by an independent third party. Employees can anonymously make reports or ask questions in more than 150 languages, seven days a week, 24 hours a day. Fluor strictly prohibits retaliation against anyone who makes a good faith report.

In 2008, the Compliance and Ethics Hotline received 306 calls, all of which were investigated. Reports to our Hotline have increased since we expanded our Compliance and Ethics program. We want our employees and other stakeholders to raise concerns and ask questions. During 2009, we will roll out a Speaking Up campaign to further emphasize the importance of raising compliance and ethics concerns and questions and, as a result, we expect a further increase in reports and questions in 2009. We are also adding new Hotline web solutions and additional toll-free numbers for countries where we maintain our largest presence.

**2008 Hotline Reports by Category**



#### RECOGNITION AND AWARDS

- **"World's Most Ethical Companies"** recognition by Ethisphere Institute. Fluor was the only engineering & construction company named on the recognition list.
- **Government Contractor Ethics Program 2008 Rankings** by Ethisphere Institute:
  - Number 3 for "Best Ethics Program Overall"
  - Number 2 of the 100 Largest Government Contractors Ethics Program
  - Top 10 "Best Code of Business Conduct and Ethics"
  - Top 10 "Best Ethics Training and Communication Program"
- **Ranked Number 9** on *Forbes* magazine's list of America's Most Trustworthy Companies.
- **One of America's and the world's "Most Admired Companies"** by *FORTUNE* magazine. Fluor captured the number-one spot on the global list in the engineering and construction category in 2008 and came in third in the America listing.

# GETTING THINGS RIGHT.

## Procurement Policy.

The increasing global emphasis on sustainability influences the way Fluor makes procurement decisions. The terms and conditions of our procurement contracts require our suppliers and contractors to adhere to the local laws and regulations of the countries where they are working for us. In addition, our suppliers and contractors must also adhere to the specific requirements of Fluor policies and procedures on safety, health and the environment, as well as our Code of Business Conduct and Ethics.

The company's Code also supports our commitment to human rights. We hold ourselves accountable to our corporate expectations on compliance practices, and we require that subcontractors, workers, consultants, agents, suppliers and other third parties observe similar standards and act in a manner consistent with the Code and adhere to all applicable laws. These parties are subject to audit to determine compliance with contract terms and conditions.

Fluor plans to implement our Expectations of Business Conduct and Ethics for Suppliers and Contractors during 2009. These expectations will supplement the various contractual requirements that our suppliers and contractors must undertake, to further emphasize the high integrity standards we expect.

## Influencing Sustainability Through the Supply Chain

Increasingly, our procurement experts look for innovative approaches to secure goods and services in remote locations.

In countries around the world, Fluor supports local communities by actively sourcing goods and services from local businesses. With Fluor's global spending for goods and services reaching almost \$14 billion in 2008 (more than \$52 million for each working day), our opportunity to engage small, woman-owned and diverse suppliers whose goods and services meet our clients' requirements is substantial. This considerable procurement leverage also allows us to influence our suppliers' fulfillment of social, legal and ethical responsibilities. Furthermore, we complete evaluations for safety, compliance, quality, environmental and anti-bribery performance on all suppliers and subcontractors with whom we contract over \$500,000 of business.

Fluor's supplier outreach tool, SCORE!<sup>SM</sup> (Supplier and Contractor Online Registry E-version), is a vital resource for identifying and engaging suppliers globally. To support supplier sustainability, Fluor is strongly committed to extending opportunities to grow businesses through a proactive U.S. Supplier Diversity Program. In 2008, this program achieved a spend level of \$458 million with small, woman-owned and diverse suppliers, or approximately 10 percent of the \$4.7 billion spent with U.S.-based suppliers and contractors last year. By using these businesses, Fluor creates employment opportunities for many in the local communities.

Fluor is a corporate member of the National Minority Supplier Development Council (NMSDC) and the Women's Business Enterprise National Council (WBENC), and actively participates in many of their affiliated regional councils. In 2008, Fluor supported regional councils of both NMSDC and WBENC and, with our corporate sponsorships of events, has helped increase the growth of small, diverse and woman-owned business enterprises. Fluor was recognized as a Sustaining Member of the Women's Business Council Southwest with representation on its Board of Directors. Fluor also supports the Dallas/Fort Worth (TX) Minority Business Council, the Houston Minority Business Council and the Women's Enterprise Alliance Council by serving on corporate committees and contributing to scholarships and business events targeting diverse and woman-owned business enterprises.

# WE'RE FIGHTING CORRUPTION WITH A SCRIPT, ACTORS AND A CAMERA.

## Anti-Corruption Education and Training Initiative.

On a dusty rural road, a field engineer charged with delivering heavy equipment to a construction site is stymied when road workers reverse a "one way" sign and demand compensation for allowing the equipment to pass. What should she do?

The field engineer, in this case, is a professional actor, as are her adversaries. But the situation is based on one that actually occurred, and the question posed by her predicament is one faced by countless employees in the engineering and construction industry every day. Her quandary, and her solution, are among many featured in a new film and accompanying training materials, which are core elements of the Anti-Corruption Education and Training (ACET) initiative, funded in part by a leadership grant from Fluor. The film, titled "Ethicana," spotlights actual ethical dilemmas woven into a fictional story set on a mythical island and forms the foundation for substantive discussions around a very serious industry problem with devastating implications.

"Each year billions of dollars are lost through bribery and corruption," says the American Society of Civil Engineers' (ASCE) Michael Sanio, project manager for the ACET initiative. "Bribery and corruption compromise projects and put the public at risk. And they happen all over the world."

That's why Fluor agreed not only to donate \$100,000 for the creation of training and education materials but also to endorse the industry-wide initiative and provide its corporate headquarters as an on-site location for filming a scene in "Ethicana." Subtitled in 27 languages, the film will be combined with a discussion guide and other materials and distributed free of charge to supporting corporations, engineering schools and professional organizations. Additional copies will be available for purchase by companies, governmental bodies and others interested in and affected by this issue.

At the national ASCE Convention in November 2008, a group of 50 industry professionals previewed the film and participated in a moderated discussion afterward.



Scenes from the fictional film "Ethicana."



## **“ETHICANA” SPOTLIGHTS ETHICAL DILEMMAS ENCOUNTERED ON ENGINEERING & CONSTRUCTION PROJECTS AND FORMS THE FOUNDATION FOR SUBSTANTIVE DISCUSSIONS AROUND A VERY SERIOUS INDUSTRY PROBLEM WITH DEVASTATING IMPLICATIONS.**

“When viewers expressed opinions in that discussion, it became clear they didn’t really know or understand the types and magnitude of corruption going on,” says Bob Crist, chair of ASCE’s Global Principles of Professional Conduct Committee. “Unethical behavior can be so subtle sometimes,” Crist continues, “and everyone in the system, from lawyers to field engineers to government officials to administrative assistants, can be involved. Awareness is our biggest problem; even individuals with the best intentions can make decisions that lead them down the wrong road. Previous training materials on ethics have focused on corporations. With ‘Ethicana,’ we are focused on the entire spectrum and especially on individuals.”

Fluor’s donations, combined with those of several other organizations and individuals, have created more than concrete materials. They have sparked the proverbial “ah ha!” moment for many in the preview audience. “The comment I heard from viewers was, ‘I now understand what’s going on and I didn’t before.’ That’s the first step toward needed change in our industry.”



# ETHICS IN ACTION.

The BlackBerry vibrated across the desk as it always does when a new message arrives, but there was nothing common about this message. It contained an offer that would tempt and derail the integrity of many.

Working for Fluor for less than a year, this employee had heard about conflict-of-interest situations that procurement personnel in the engineering and construction industry frequently face. But when he read the offer being made by a senior manager of a major product supplier abroad, it became clear to him that ethics is indeed the commodity in jeopardy these days.

The offer was the equivalent of a winning lottery ticket and was simple in design. All the Fluor employee had to do was ensure the manager's company was awarded a purchase order regardless of Fluor's competitive-bidding process. In exchange, the supplier would pay the employee 2 percent of the purchase order's gross value, which amounted to several million dollars.

Fluor's Procurement employee recognized immediately that accepting this bribe was wrong. He had taken web-based training on Fluor's Code of Business Conduct and Ethics and the specially designed live course on anti-corruption. What he learned guided his decision. "I knew that no matter how tempting the money was," he said, "the fight against bribery and its damaging effects on society must be won. Reporting this offer was simply the right thing to do."

His decisive response to the attempted bribery led to the supplier being put on a probationary status with regard to doing future business with Fluor and disciplinary action for the supplier's senior manager who made the offer. In addition, after notification, Fluor's client for the project agreed that the situation was managed appropriately and thanked Fluor for its professionalism and proactive commitment to ethics.

And as for the Fluor employee who was offered the bribe, he received commendation for his integrity from the company's most senior leaders. Not only did he keep himself and the company out of trouble, he had set a true example for others to emulate.

*The employees and vendor involved in this actual case study have intentionally not been disclosed.*



# OF THE BILLIONS OF ASSETS FLUOR HAS, OUR PEOPLE ARE THE MOST VALUED.

## Employees & Workplace.

### Our People

Across six continents, Fluor's 42,000 employees design, build and maintain complex industrial facilities and solve problems ranging from the routine to the extraordinary. Over the past century, our employees have been instrumental in developing the tools and systems used today to execute these challenging projects safely, smartly and with the highest quality.

Fluor employees are skilled, dedicated people diligently working to achieve excellence for our clients. They are the key drivers of Fluor's record-setting 2008 performance.

### Building a World-Class Workplace

Recruiting and retaining people with relevant skills continued as a thematic challenge for Fluor, which, like all companies in the engineering and construction industry, faced ongoing labor shortages. Ensuring the constant availability of pools of talent with the necessary abilities and experience needed to successfully lead at higher, more responsible levels within the organization was the focus of Fluor's succession planning.

People desire careers at Fluor because our employees work on some of the world's biggest and most distinctive projects. In 2008, we added more than 2,100 new salaried employees to our overall workforce. And, in response to a trend of record backlog and record new awards, we have added 10,000 salaried employees over the past three years. Even so, we have a good balance of new and tenured employees. A large number of employees have 10 or more years of service, a demonstration of who we are and a testament to employee satisfaction with the work environment and opportunities provided within the company.

### Recruitment

Fluor maintains long-term strategic relationships with select universities and technical colleges around the world. Executive sponsors from Fluor oversee and nurture these relationships by supporting the institution and academic community through teaching courses, serving as members of college advisory boards, providing students with real-world

experience through internships and coaching students on specific career-related skills. These efforts work in conjunction with the Fluor Foundation, which provides grants to fund university engineering, construction and procurement programs, as well as student scholarships, associations and career centers.

Around the world, strategies are in place to source diverse pools of talent. In the United States, that includes attending minority-focused national technical conferences. In 2008, those conferences were the Black Engineer of the Year, the National Society of Black Engineers, the Society of Women Engineers, the Society of Hispanic Professional Engineers, the American Indian Science and Engineering Society, and the Asian American Engineer of the Year.

### Successful Onboarding Is Key to Retention

The large number of new hires and the desire for a globally consistent execution platform led to Fluor's global Onboarding Program, which includes new hire processing; "buddy" assignments; specific courses in health, safety & environmental; ethics and execution; diversity and inclusion; and a detailed functional onboarding curriculum with a prescribed supervisor and functional leadership meetings.

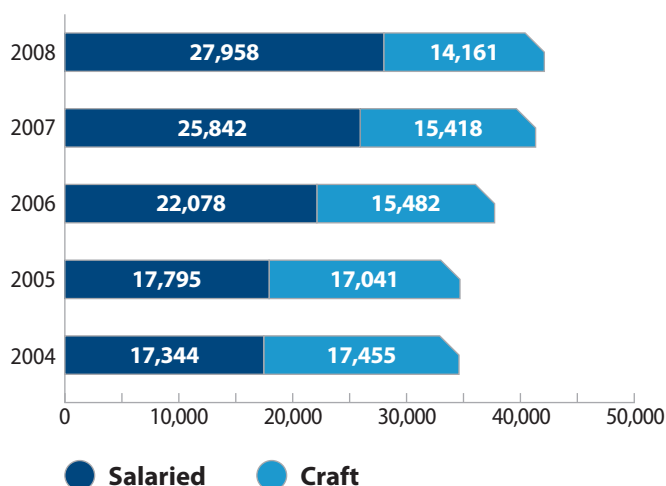
New college graduates who come to work at Fluor are supported during their first years through the Graduates Advancing to Professionalism<sup>SM</sup> program, a management-sponsored global network that serves to facilitate the transition from academic life to their careers at Fluor through social networking, community philanthropy, access to senior executives and career guidance in order to increase employees' knowledge of the company.

Because Fluor's business is global and requires mobility, in 2008 we redesigned our International Assignment Policy to promote employee mobility, simplify assignment administration and foster a "one team" approach at project sites. The policy changes responded to demographic trends in the workforce, changing attitudes toward relocation and the need for

### KEY 2008 FOCUS AREAS

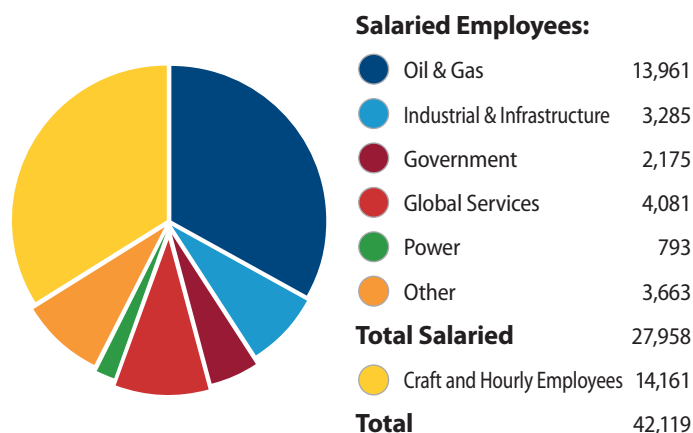
- Recruiting
- Retention
- Diversity & Inclusion
- Talent Development

### Employee Composition over Past Five Years



### Employee Composition (by Business Group) for 2008

The following table sets forth the number of employees of Fluor and its subsidiaries engaged in our business segments as of December 31, 2008:



The number of craft and hourly employees, who provide support throughout the various business segments, varies in relation to the number and size of projects we have in process at any particular time.

a global, rather than U.S.-centric, approach.

Fluor's employees have the opportunity to truly see and experience the world by taking on international assignments and working at our offices and project sites across six continents. In fact, more than 2,000 of our employees are currently on international assignments in 46 countries – a bona fide reflection of our workforce's mobility and commitment to serving our clients around the world.

### Planning a Successful Future

A successful future depends greatly upon building a cadre of capable leaders by employing a planned, thoughtfully managed succession process. Our company has been engaged in leadership development for decades, using a network of forums and management participation that has not fundamentally changed in 30 years. It is, therefore, embedded within our operating process and culture, and a natural extension of what we do every day. Fluor's approach consists of several interwoven and coordinated elements designed to identify individuals with high leadership potential for our succession talent pools and to support the development needs of future Fluor leaders.

We have specific programs that are designed to accelerate the development of leadership skills and competencies for both general and project management career paths. These programs have been very successful in providing the company with a pool of vetted, qualified leaders. This helps support our succession strategy and establishes cross-generational role models.

We also maintain a continuous focus on developing globally diverse leaders and monitoring retirement and turnover trends to ensure we are developing leaders today to meet the needs of tomorrow.

### Employee and Talent Development

Among our efforts to help employees maximize their performance and potential, in 2008 we launched an even more robust career development process and a toolkit that highlights development opportunities and resources. Among the tools are Functional Development Frameworks that outline specific courses, experiences and competencies required for advancement in all functional levels of the company – from engineering, estimating, project controls and project management to finance, management/leadership, human resources and information technology. Whether an employee is interested in excelling and advancing in his or her own field or pursuing another career path at Fluor, our Frameworks, Job Descriptions and Career Development Guides provide a starting point for any career development plan and are designed to help employees and their managers focus on areas that align



## FLUOR UNIVERSITY<sup>SM</sup>

employee interests with company requirements. The courses highlighted in each Functional Development Framework are provided by Fluor University, the company's global training and development organization. The establishment of Fluor University was a multi-year effort and a carefully articulated response to feedback employees provided in the company's most recent global Employee Engagement Survey.

Fluor University provides more than 1,000 online courses, more than 200 instructor-led courses, and many other educational programs and resources to help employees enhance their performance and develop their careers.

Online courses provide Fluor employees around the world with easy 24/7 access to interactive learning opportunities in everything from diversity and inclusion, ethics, supervision, communications, team building, computer skills and time management, to finance, project management, sales and strategic planning. By minimizing travel and facility requirements, online learning is a cost-effective solution that also helps manage carbon emissions. Employees completed more than 138,000 hours of online learning in 2008.

Fluor's instructor-led classes provide additional in-depth learning opportunities. For example:

- In our three-day "Project and Business Controls for Project Managers" class, participants are led through a mock project where they encounter a variety of challenges that require them to make decisions that drive superior results for both the client and the company.
- The one-day "Fluor Business Simulation" class uses a Fluor-proprietary board game to enhance participants' understanding of financial concepts and metrics, Fluor's business drivers and the connection between human and financial capital.
- Fluor's two-week "Construction Academy" provides newly hired college graduates in-depth instruction in all aspects of construction execution.

Courses are offered according to demand and business need. In 2008, approximately 532,000 student hours of training were completed in our locations around the world. These included technical, functional and project execution, as well as business and professional training.

Employees also are encouraged to pursue external job-related learning opportunities through professional organizations and colleges or universities. Approximately 1,000 employees are pursuing degrees or additional training through the company's tuition-reimbursement program.

### Leadership Development

Fluor's leadership development programs range from coordinated stretch assignments and coaching across business lines and functions to specialized programs that include 360-degree assessments, feedback, experiential learning, problem solving and individual action plans. For example:

- Through the five-day Fluor Management Institute program, employees increase their understanding of cultural issues impacting project execution, enhance their analytical and problem-solving abilities and strengthen their ability to collaborate and lead cross-functionally.

### MISSION:

**To provide an integrated framework for delivering the technical, functional, business and leadership development that drives Fluor's success.**

Among Fluor's many talent development programs is Fluor Business Simulation, a one-day course that uses a proprietary board game simulating real-life situations on Fluor projects.



- Through the four-day Fluor Leadership Summit, experienced leaders such as department managers and project leads deepen their business and financial acumen; assess their own behavioral strengths and areas of development; improve their ability to recognize and leverage the personality, preferences and behavior patterns of others; enhance communication skills; learn how to turn conflict into collaboration; and establish measurable development goals and action plans.

Fluor's Corporate Leadership Development Curriculum consists of five programs corresponding to different stages in a leader's development. More than 500 employees have participated in these programs over the last two years.

Fluor supports craft leadership through onboarding and training processes to ensure that leaders in the field have the skills and abilities to effectively administer the tasks associated with project construction and field management.

- In 2008, Fluor implemented a Field Supervisor Orientation, where field leaders learn about Fluor's policies and site supervisory administrative processes.
- Fluor revised and upgraded its Site Supervisory Training program in 2008. This eight-hour course provides instruction on key field leadership abilities, including delegating, coaching, setting expectations and providing feedback.

Valuing and supporting leadership training across all sectors of the organization is central to Fluor's talent development program. Ensuring we have leaders who can guide and direct daily business operations is an essential component of our strategy for execution excellence.

### Accelerating Technical Development

Aligned with our growth expectations, we also have specialized accelerated development programs to ensure we continue to have the best pipeline of technical, management and craft talent to deploy on projects. For example:

- Accelerating Skills to Advance Projects (ASAP) is a comprehensive development program established in 2008 in which select employees from Fluor's engineering, procurement, construction and support functions receive accelerated training and experiences that will help them to develop enhanced execution management skills and project management capability. Accelerated development rotations in project controls, contracts/construction and project management, combined with coursework and coaching, provide key learning and experience over an eight- to 18-month period, depending on the employee's level.
- XLR8™ is a program started at our Houston office to accelerate development of new engineers and designers. As a supplement to Fluor University coursework, program participants work through various project-based experiences outside of their discipline over an eight-month period to increase their understanding of project roles and execution issues, strengthen their business acumen and improve their understanding of the many potential career paths available at Fluor.
- We also offer global accelerated training programs for craft workers to attain skills to support project start-ups. For example, in preparation for working on a gold-mining project in the Dominican Republic in 2009, a new Fluor-developed craft training center in Cotuí is training hundreds of local workers on behalf of the client in various crafts, such as welding and pipefitting, as well as health, safety & environmental matters. Our training efforts not only help to ensure the highest standards of safety and performance on our projects but also leave a lasting legacy of people who have enhanced skills and knowledge that continue to benefit the community long after our projects are complete. Over the last 30 years, Fluor has trained approximately 250,000 craft personnel around the world – from Kazakhstan to South Africa to Indonesia to Chile to the United States.
- Fluor offers pre-employment welder training programs in Greenville, SC, and Houston, TX. The program focuses on welder training, blending both hands-on lab experiences and classroom teaching. In August 2008, an advanced welder training program was launched in Greenville, specifically geared toward experienced welders who work during the week. Since its inception, more than 500 pipe welders have been trained and placed on Fluor construction and maintenance sites throughout the United States.
- Fluor's Trades Certification and Validation Plan provides a mechanism for evaluating and verifying a craft candidate's certification, education, training and work experience. This program has proven essential in meeting the stringent employee qualification requirements of the United States Army's Logistics Civil Augmentation Plan IV contract.
- In the Philippines, Fluor's Asia Placement and Training Center works in conjunction with technical and vocational schools to teach craft curricula, preparing workers for local Fluor projects, as well as for projects abroad.

### Sharing Knowledge and Inspiring Excellence

Fluor's learning culture extends far beyond formal course work. In fact, the majority of employee development comes from coaching and on-the-job experiences.

At Fluor, coaching goes beyond annual performance assessments. It is a collaborative process that provides feedback, guidance and encouragement to help employees maximize their potential and drive superior company performance. To develop an even stronger learning and coaching culture at Fluor, we are launching a comprehensive coaching training program with toolkits for our leaders in 2009. This will expand to include peer coaching. Our goal is to create an even more robust learning culture where everyone is a coach, and coaching is for everyone.

Feedback from the company's Employee Engagement Survey and Employer-of-Choice Workshops surfaced both executive visibility/accessibility and more mentoring processes as areas of focus for our company. As a result, we developed and implemented a Mentoring Circles Program that allows us to impact both of these areas. With the aid of continual employee feedback, the program has grown over the years since its inception in 2003. In 2008, 12 locations hosted more than 150 Mentoring Circles with more than 1,200 employees participating in what has become an award-winning program.

As a global engineering, procurement, construction, maintenance and project management company, knowledge management is especially critical due to a constantly evolving project mix.



New college graduates at Fluor are supported during their first years through the Graduates Advancing to Professionalism program, a management-sponsored global network that facilitates the transition from academic life to Fluor careers.





Knowledge Online™ is Fluor's proprietary web-based tool that facilitates the exchange and archiving of best practices, information and solutions across the company. Employees have at their fingertips everything from specifications checklists for oil and gas projects and analytical tools for estimators to concrete-testing procedures for construction and cross-selling toolboxes for sales. Employees also can efficiently leverage the vast knowledge of Fluor experts around the world by submitting questions to the appropriate online "forum." In addition, Fluor's expertise in sustainability is highlighted in its Professional Publications & Presentations Program (P4<sup>SM</sup>), a forum for employees who author and present articles in industry trade media and at professional conferences.

### Performance Assessment

At Fluor, we focus on employee opportunity and development, supported by a global employee assessment process that is transferable as employees move across business lines.

Based on employee feedback provided through the company's most recent global Employee Engagement Survey, Fluor addressed a key engagement driver through the development of a standardized process of annual performance and development feedback. The new Fluor Performance Assessment Program was rolled out in June 2008 and became mandatory for supervisors to use with their salaried employees by the end of 2009.

The program, which has been tested against best practices in the business community, provides a globally consistent set of criteria and tools to address fundamental performance objectives, such as Fluor values and general business attributes, as well as to facilitate more in-depth discussions between the employee and supervisor. Its streamlined design ensures that every salaried employee receives documented feedback on his or her performance each year.

### Total Compensation

Fluor rewards hard work, knowledge and commitment. The company's benefits and human resources programs are designed to attract and retain a diverse workforce of the best talent. Innovation and entrepreneurial thinking are important aspects of Fluor's culture, and our benefit plans and policies encourage growth for both the company and employees.

Maintaining an equitable means of compensating employees is a key component of our philosophy. The company pays competitive base salaries to attract and retain qualified employees. Salaries reflect job duties and individual job performance as measured by annual performance appraisals and are based on prevailing economic and market conditions.

Fluor ensures that all elements of pay are competitive with the best companies in the locations in which we operate. We review this each year to maintain our competitive position in the global markets.

Executive compensation is reviewed by the Organization and Compensation Committee of the Board of Directors, which consists solely of non-employee directors. It determines compensation levels for the chairman and chief executive officer, as well as his direct reports, based on an assessment of competitive data from Fluor's Compensation Peer Group as detailed in our 2008 Compensation Discussion and Analysis, which is included in Fluor's Proxy Statement.

### Benefits

Around the world, we design and implement competitive health and welfare programs, along with retirement plans as appropriate, for our employees. The few defined benefit plans in existence at Fluor are consistent with industry standards and are funded in accordance with government regulations in the locations where we work.

### MENTORING CIRCLES AROUND THE WORLD

- Canada
- China
- Poland
- Singapore
- Spain
- The Netherlands
- The Philippines
- United States
- United Arab Emirates

Knowledge OnLine™





## **“WHAT BEGAN AS A WAY TO MEET A BASIC BUSINESS NEED FOR A POOL OF SKILLED LOCAL WORKERS TO COMPLETE CLIENT PROJECTS GREW INTO A LARGE-SCALE EDUCATION AND TRAINING EFFORT THAT HAS ENDURED TIME AND REMAINS THE CORNERSTONE OF FLUOR’S ONGOING OPERATIONS.”**

In 2009, Fluor will conduct a global inventory of employee benefits to understand ongoing competitiveness from a local country perspective.

Maintaining work/life balance is another important aspect of Fluor’s benefits. Offices and job sites around the world employ customized approaches to help employees achieve appropriate work/life balance opportunities that are reflective of both local and individual needs and business demands. Each facility can tailor the time off policy toward serving the needs of its particular employee population and business demands.

In the United States, Fluor also provides an Employee Assistance Program to help employees address a wide range of work/life issues, from daily concerns to those of a more serious nature. Some of these services might include basic counseling, financial planning, legal advice and family mediation.

### **Diversity & Inclusion**

Fluor’s goal is to sustain a diverse workforce by leveraging the knowledge and talents of every employee. Fluor’s policies and practices are built around the premise that all employees should have opportunities to excel in their chosen professions. Equal opportunity at Fluor means that no one is disadvantaged because of differences. It is company policy to base employment decisions that involve hiring, training, testing, promotions, transfers, compensation, reductions in force, leaves of absence, terminations and other employment actions upon job-related criteria and not to unlawfully discriminate on the basis of race, color, age, sex, sexual orientation, religion, national origin, disability, veteran status, genetic information or any other criteria protected by law.

Diversity and inclusion are embedded in our core value of Teamwork. The company expects that every employee proactively maintains a positive work environment free from any form of unlawful discrimination or harassment and promotes an inclusive workplace where divergent ideas are leveraged to prompt the highest possible level of innovation and excellence.

Diversity and inclusion are essential components of all human resources processes, helping drive the fundamental attributes of teamwork into our global operations. For example, we place a high priority on diversity and inclusion throughout our talent development initiatives. Specific diversity and inclusion-related behaviors are woven into required competencies within Fluor’s Functional Development Frameworks and Career Development Guides. In addition, skill-building activities that help people understand how to create an inclusive environment are incorporated into both our leadership and technical training courses.

Specialized diversity and inclusion training is offered through our nine-course, online curriculum that is available to employees worldwide. These courses address how diversity influences daily business operations and provide suggestions about working inclusively within Fluor’s global environment. Every employee completes the two mandatory courses during orientation. In 2008, employees from more than 50 locations completed nearly 10,000 courses.

Fluor also provides a Global Diversity and Inclusion Resource Center on the company’s intranet. The purpose of this site is to provide a central location for employees to find a wide variety of tools and information that will increase their knowledge about diversity and inclusion. The goal is to provide a context for why this is important to us and to help open minds to different perspectives and cultures. The Resource Center is divided into 12 focus areas, including a section describing our business case for diversity and inclusion, a listing of books that deal with specific related topics and links to a global discussion forum. Information is updated monthly, featuring news, articles, book reviews and additional resources. Also included are leadership messages that give leaders an opportunity to express their viewpoints about the benefits of diversity and the importance of cultivating an inclusive workplace grounded in effective teamwork.

**“WOMEN HOLD UP HALF THE SKY.”**  
– Chinese proverb

**Nowhere is this more evident than in Fluor China, where out of 850 employees, 45 percent are women from 15 different nationalities, with roles in engineering, procurement and contracts, human resources and administration and finance.**

## Human Rights

Our belief that all individuals should be treated with dignity and respect is firmly rooted in our core value of Integrity. Fluor is committed to fostering an environment that recognizes and supports all aspects and dimensions of human rights.

### Elimination of Forced, Compulsory and Child Labor

The company's Code of Business Conduct and Ethics supports our commitment to human rights.

Fluor does not utilize forced or compulsory labor. The company recruits employees and provides working conditions, including payment of wages and benefits, that comply with applicable laws and regulations. No Fluor operations have been identified as having a significant risk of forced or compulsory labor. All of Fluor's employees are above the legal employment age in the country in which they are employed. Fluor supports the use of legitimate workplace apprenticeships, internships and similar programs that comply with all laws and regulations applicable to such programs.

Regrettably, we recognize that in some parts of the world, child and forced labor exist. We have emphatically stated that we do not condone the use of child or forced labor by Fluor or any of our suppliers, clients or partners.

We take measures to provide working conditions that comply with applicable laws and regulations, including those applying to wages and benefits. As part of Fluor's business risk assessment process, we evaluate industrial relations risks that could include any compulsory or forced labor issues that might exist in a particular country or job location and analyze any necessary actions the company would need to take in order to mitigate those risks.

### Influencing Change

Furthermore, we believe our business presence can and should have a positive influence on the treatment of people in the communities in which we operate.

While our core business is centered on engineering, procurement, construction and maintenance, we view providing service to the communities in which Fluor's employees live and work as a privilege, and the company works diligently to improve the rights of indigenous people. Fluor has no reportable incidents of violations involving rights of indigenous people.

Fluor has a long history in South Africa. Our presence there dates back to 1960 with the award of the Sasol Styrene Butadiene project and the construction of the Caltex Refinery in Cape Town. Fluor continued operations in South Africa during the highly turbulent times of the 1980s. During those years, Fluor trained nearly 6,000 local people as semi-skilled and skilled craft workers and hired them to work on projects at a time when there was no classification to pay nonwhite supervisors on the country's pay scale system.

Fluor was among a myriad of multinational American companies listed in a multibillion-dollar lawsuit claiming exploitation of workers in apartheid-era South Africa. In late 2008, Fluor was dropped from the litigation and all plaintiffs confirmed that there is no current intention to involve the company in any of the actions.

What began as a way to meet a basic business need for a pool of skilled local workers to complete client projects grew into a large-scale education and training effort that has endured time and remains the cornerstone of Fluor's ongoing operations in South Africa.

We maintain an active presence through our office in Sandton, where Fluor coordinates operations in Durban, Sasolburg, Secunda and sub-Saharan Africa.

### Freedom of Association and Right to Collective Bargaining

Fluor recognizes and respects the legal rights of employees to join or to refrain from joining worker organizations, including labor organizations or trade unions, without fear of reprisal, intimidation or harassment. The company complies with legal

## RECOGNITION AND AWARDS

- *G.I. Jobs* magazine's list of the 50 Most Military Friendly Employers for the third consecutive year; Fluor ranked in 15th place overall.
- Business Centre Club's Caesars of Silesian Business Award, recognizing Fluor as a business resource for intellectual potential in Poland. (Gliwice office)
- HR Impact Award, which recognizes excellence in human resources programs and practices. (Houston office's Mentoring Circles Program)
- Presidential Rank Awards' Meritorious Executive Award for exceptional leadership, accomplishments and service. (Ronald W. Hertwig Jr.)
- Black Engineer of the Year Awards' Modern Day Technology Leaders, recognizing those shaping the future of engineering, science and technology. (Lynn E. Weaver and Hubert E. Ausbie II)
- Texas Tech University College of Engineering's Distinguished Engineer Award. (Tom Zachman)
- Society of Women Engineers (SWE) Emerging Leader Award, which honors women engineers who have demonstrated outstanding leadership and technical excellence. (Amy Herbert)
- RasGas Shukran Award for outstanding performance or accomplishments on the RasGas Common Off-Plots Project in Qatar. (Ed Standiford III and Tamilmaran Duraisamy)

requirements worldwide regarding employee and third-party involvement and provides training in which managers and supervisors are advised of employees' rights in this respect. Where employees are represented by a legally recognized union, we are committed to establishing a constructive dialogue with their freely chosen representatives and are committed to bargaining in good faith with such representatives. Our long-standing belief is that the interests of Fluor and our employees are best served through a work environment that is collaborative and allows for direct communication between employees and management.

### Looking Ahead

The impact of the ongoing global economic crisis is far-reaching, and Fluor is not immune. Like many companies, Fluor is taking proactive steps to reduce expenses and to contain costs during 2009 and beyond.

We remain committed, however, to maintaining our position in a marketplace that will become even more competitive in the coming years. Performance and execution are key to our Human Resources plan, which also will focus on retention, diversity and inclusion and strategic investments in the training and development of our people and leaders, who provide Fluor's competitive advantage.

Through its work in designing and building some of the world's greatest industrial projects, Fluor has an esteemed track record of providing craft training that meets the highest industrial standards to indigenous workers, furthering their employment opportunities and professional growth.





# RESPECT AND UNDERSTANDING ARE USEFUL BUILDING TOOLS.

## The Newmont Power Project.

In more than three decades at Fluor, Jim Law had already seen a lot of interesting challenges when, in 2004, he took on a new one: site manager of the TS Power Project in northeastern Nevada. Of course he had to complete the job on time and within budget, but Law faced an immediate and thorny problem. This project was in one of the state's least populated counties, hours from any major population center. He needed to determine how and where to find enough qualified, skilled people to work on the isolated site for the next four years.

Drawing on knowledge gained from experience in similar circumstances and partnering with internal Human Resources management and external resources, Law and his team set to work to meet the challenge. Their staffing plan was two-pronged. They would attract and retain qualified workers, some of them experienced and already in the Fluor database, and at the same time develop and train people new to the construction industry. Aware that they would have to rely largely on the self-employed for their needs, Law and his team also knew many potential workers resided in the Native American communities in surrounding counties.

Through job fairs and other methods, Fluor was able to recruit people, not only from Nevada but also from neighboring states, who were willing to travel to or temporarily locate in the remote construction area in Eureka County. Among them were more than 450 Native Americans, many from the Navajo Nation and about half of whom were new to Fluor and to the construction industry.

The company used DEL-JEN's Job Corps training facility in Albuquerque, NM, to provide the basic skills training required to maximize employees' efficiencies on site. A significant majority of the students were Native Americans taking advantage of the opportunity to better themselves economically. Additionally, Fluor set up facilities to provide training in key crafts such as welding, pipefitting and ironworking.

But job skills training was only part of the education required for this project. Fluor supervisors had something to learn as well.

"We had a learning curve with our supervision," he says. "We all realized that we needed to work within the Native Americans' culture, rather than expecting them to adjust their ways to ours. For instance, once we understood that tribal traditions require younger workers to listen to the elders in the community, we were able to establish more effective work teams."

"Through our research, we also learned that important tribal traditional celebrations and observations called for the attendance of many of our workers. When we respected those needs, we found morale improved, and we were better able to retain the workers, which was, of course, extremely important to the on-time completion of the project."

In the 1980s, Law had hired members of the Navajo Nation as welders on another project. That experience, along with the TS Power Project, drove home some important lessons. Key among them, Law recalls, was, "Learning local workers' cultures and traditions and managing accordingly are very important to the success of a project."

Fluor completed the engineering, procurement and construction of the 242-megawatt power plant project during 2008, delivering an innovative design and world-class technology within budget, ahead of schedule and with a stellar safety record. "This project exemplifies how high safety standards coupled with industry-leading environmental performance, world-class design, expert construction and procurement can be leveraged for client success," said David Constable, Fluor group president. "Our project team worked 3 million hours without a lost-time accident and was recognized with a 'Safe Partner Award' by the State of Nevada."





Fluor recruited and trained people from Nevada and neighboring states to staff the 242-megawatt power project in Eureka County for Newmont Mining Corp. Among them were more than 450 Native Americans, many from the Navajo Nation and about half of whom were new to Fluor and to the construction industry.

**“LEARNING LOCAL WORKERS’ CULTURES AND TRADITIONS AND MANAGING ACCORDINGLY ARE VERY IMPORTANT TO THE SUCCESS OF A PROJECT.”**



# WE'VE HAD GREAT SUCCESS IN PLAYING IT SAFE.

## Health, Safety & Environmental.

Savannah River Nuclear Solutions, a Fluor-led partnership, successfully assumed responsibilities to manage and operate the Department of Energy's Savannah River Site in 2008.

With the core values of Safety and Excellence driving accomplishment throughout Fluor's global operations, our company's 2008 performance in health, safety & environmental (HSE) matters was exceptional. Fluor's approach to HSE issues is derived from a combination of bedrock principles and extensive knowledge obtained over many decades of experience. Successfully managing these issues to the lowest possible risk levels is an essential component of our strategy and integral to the way we do business.

Our goal is to achieve Zero Incidents<sup>SM</sup> in our HSE performance by minimizing the impact of our operations on the environment and by preventing harm to individuals directly involved with or indirectly affected by those activities. Our proven HSE Management System, comparable to ISO 14001, OHSAS 18001 and the U.S. OSHA Voluntary Protection Program, integrates the highest international standards into each project phase and verifies our consistent and complete performance. Each year our company builds on the achievements of the prior year to further protect the health and safety of individuals and preserve the ecosystem.





# PROTECTING OUR PEOPLE.

## Health & Safety.

**ZERO Incidents<sup>SM</sup>**



At Fluor, we've recognized the value of managing health and safety and have made it a fundamental part of our operations. For several decades now, we have been – and continue to be – recognized as one of the safest contractors in the engineering and construction industry globally. We never lose sight of the fact that the numbers reflected in our safety statistics represent real people – the heart and soul of society's workforce and our company's most valuable resource. It's not just another initiative within our company; it's inherent in our behavior-based culture.

### Program Elements

Health and safety success does not happen "by accident," and Fluor has made significant investments over the years to develop safe and healthy work environments for its employees. Fluor management takes a proactive approach to reviewing the company's health and safety programs, identifying potential areas for improvement and ensuring thorough evaluations of all incidents.

Fluor's health and safety culture is strengthened and sustained through a variety of programs. The company offers more than 40 HSE training courses, and employees are encouraged to stay abreast of health and safety matters throughout their careers. In our offices, we use many communication tools to educate and engage our employees in HSE issues, including the company's intranet website and its knowledge management collaboration portal, Knowledge Online<sup>SM</sup>.

Our HSE Management System is applied globally to each office and project site and involves pre-planning, job-site hazard analyses, establishing inspection and monitoring procedures, and reporting our results. Fluor's Zero-Incident High-Impact Injury Reduction Techniques have consistently created safer job sites and reduced workplace injuries since their implementation in 2001. Originally based on best practices recommended by the Construction Industry Institute and customized to reflect our own experiences, these 12 proven techniques

include subcontractor management; pre-project HSE plans; HSE education and orientation; new employee development; HSE awareness programs; substance abuse programs; recognition and rewards programs; incident reporting and investigation; pretask planning; site management participation; audits and assessments; and utilization of networking and resources. Health and safety performance of all our business groups is monitored monthly, and Fluor's Monthly Incident Experience Reports and the Global Information Management System measure and monitor incidents and activities and evaluate compliance with HSE systems.

Fluor's proprietary Managing Safety to Zero<sup>SM</sup> (MS<sub>2</sub>0) web-based program tracks leading and trailing HSE indicators, such as daily audits, near-miss incidents and hazards eliminated, to help project management improve working conditions and reduce incidents. In 2008, MS<sub>2</sub>0 was utilized on 20 projects globally, representing 22 million work hours. Projects using the program finished 2008 with an improved Total Case Incidence Rate of 0.20, down from 0.21 in 2007. Measurements, such as management-attended walkabouts, self assessments, adopt-a-crews and training, exceeded pre-planned goals. Safety Task Assignments, hazard elimination and near-miss reporting are areas for improvement.

### MS<sub>2</sub>0 2008 Results: Safety Leading Indicators Metrics (SLIM)

| Average Weekly SLIM Scores:           | GOAL       | ACTUAL     |
|---------------------------------------|------------|------------|
| <b>Hazard Elimination</b>             | <b>687</b> | <b>236</b> |
| <b>Near Miss</b>                      | <b>1</b>   | <b>0.3</b> |
| <b>Management Attended Walkabouts</b> | <b>2</b>   | <b>5</b>   |
| <b>Self Assessment</b>                | <b>5</b>   | <b>14</b>  |
| <b>Safety Task Assignment (STAs)</b>  | <b>343</b> | <b>234</b> |
| <b>Adopt-A-Crew</b>                   | <b>21</b>  | <b>62</b>  |
| <b>Training (hrs per wk)</b>          | <b>110</b> | <b>412</b> |

In addition to the internal HSE programs Fluor supports, many of the company's recognized experts in specific HSE disciplines also work with public agencies and professional associations worldwide to develop industry and governmental standards and requirements to protect people, property and environmental resources.

### 2008 Performance

The company had its best-ever health and safety performance in 2008, with a 14 percent reduction in overall injuries last year. Fluor experienced just 0.02 lost workday incidents per 200,000 hours worked around the globe, which remained consistent with 2007's strong performance. We also performed below our goals for both total recordable case incidence rate and restricted workday case rate.

## Health and Safety Performance Office and Field Operations (Self-perform and Subcontractors)

Fluor office and field performance ended 2008 with excellent results per 200,000 hours worked:

- Restricted workday case incidence rate (DART-R): 0.04
- Lost workday case incidence rate (DART-L): 0.02
- Total recordable case incidence rate (TCIR): 0.22
- Total hours for 2008 increased by 2 percent, from 364 million to 371 million.

While we incurred no employee fatalities in 2008, despite our excellence in HSE performance, however, two of our subcontractors experienced fatalities last year. To address these incidents, we have strengthened processes to focus on specific preventive actions and will continue monitoring and improving upon those processes in the future.

### Office Operations

In 2008, Fluor's office exposure hours increased 14 percent to 41 million hours compared to approximately 36 million hours in 2007. Health and safety performance rates were as follows:

| Incidence Rates:                                | 2007 | 2008  |
|---|------|-------|
| Total Recordable Case Incidence Rate (TCIR)     | .02  | .02   |
| Restricted Workday Case Incidence Rate (DART-R) | 0.00 | 0.00  |
| Lost Workday Case Incidence Rate (DART-L)       | 0.00 | 0.001 |

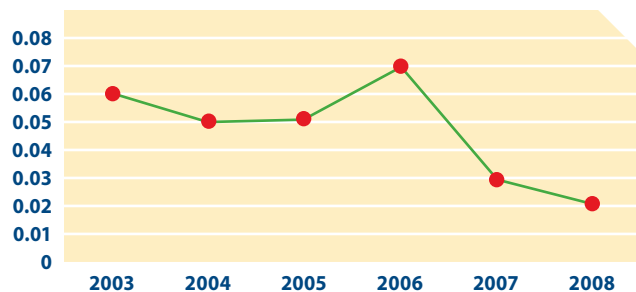
Fluor offices globally experienced no restricted workdays and just one lost workday case for more than 41 million hours worked in 2008.

### Field Operations (Self-perform and Subcontractors)

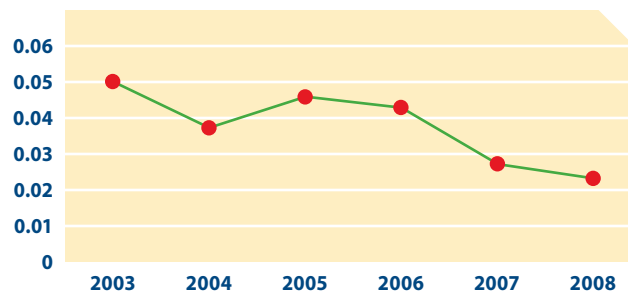
Exposure hours for self-perform and subcontractors combined increased 1 percent from approximately 329 million hours in 2007 to 330 million hours in 2008. With this 1 percent increase in hours for 2008, the year-end restricted workday case incidence and total recordable case incidence rates were 0.05 and 0.25, respectively. Even as work hours increased in global field operations, our company's lost workday case incidence rate decreased from 57 in 2007 to 48 in 2008, resulting in an overall lost workday case incidence rate of 0.02.

Because the health and safety of our employees and those who work with us are so important, we continuously challenge ourselves in this area and have set even more ambitious goals for 2009, ones that exceed our 2008 targets, in an ongoing effort to improve our performance.

**Lost Workday Cases**  
(with days away) per 200,000 hours worked



**Total Recordable Cases**  
per 200,000 hours worked





## Continuous Improvement in HSE

The HSE services that Fluor provides its clients and employees, as well as other stakeholders such as communities, are continually assessed for improvements and enhancements. These services include HSE in design, in offices and in execution – construction, commissioning, operations and maintenance. Fluor’s HSE Management System and best practices are reviewed on an annual basis, and enhancements and/or new procedures are implemented as necessary.

### HSE: Global Reach, Local Impact

In our offices and on project sites worldwide, HSE Committees are established to manage local issues using the company’s global resources. Included in their responsibilities are:

- Cultivate an active interest in HSE issues and assist in reducing work-related injuries, illnesses and hazards;
- Assess and make recommendations for HSE training and education;
- Review and enhance all HSE procedures for the workplace;
- Examine the circumstances surrounding recent workplace injuries and incidents, as well as work-related illnesses, and make recommendations to mitigate risks and improve performance;
- Propose programs aimed at raising and maintaining interest in the workplace HSE program;
- Review planned inspections and audits and make recommendations to correct unsatisfactory levels of performance; and
- Provide full and proper documentation of all meetings, recommendations and other relevant endeavors.

While the company makes every effort to protect its workers from health and safety risks, it also offers assistance programs, such as educational classes, counseling and prevention/risk control measures, for workers and their families worldwide to help them manage serious disease cases.

## OSHA Voluntary Protection Program Corporate Pilot Membership

One measure of a successful HSE program is recognition from third parties. Fluor received a number of honors during 2008. However, Fluor’s selection as one of just seven organizations certified by the U.S. Occupational Safety and Health Administration (OSHA) for its Voluntary Protection Program (VPP) Corporate Pilot is most notable. VPP certification is OSHA’s formal recognition of the outstanding efforts of employers and employees who achieve exemplary occupational health and safety records.

This recognition is particularly important to Fluor. Beyond being a role model for workplace health and safety, VPP companies generally experience other benefits, such as 50 percent fewer lost workday injuries; injury and illness rates that are 53 percent below their industry’s average; and reduced workers’ compensation costs. As part of the VPP Corporate Pilot, Fluor enters a cooperative, action-oriented partnership with OSHA, working together to reduce workplace hazards, injuries and illnesses. In addition to participating in its Corporate Pilot Program, Fluor has made the commitment to OSHA to bring 10 new work sites into the VPP within the next two years. In doing so, we will add these sites to our current six active OSHA VPP sites and nine U.S. Department of Energy VPP sites.

### Ensuring Union Compliance

In addition to stressing the importance of HSE to its own employees, Fluor also collaborates with trade unions to help ensure that our commitment to health and safety matters is embraced by all workers. The following health and safety topics are typically included in formal agreements with trade unions:

- Compliance with applicable provisions of all government-mandated health and safety laws and regulations;
- Development of site-specific safety, industrial hygiene and environmental requirements;
- Emergency procedures;
- Means to report unsafe work conditions;
- Worker protection and right to know;
- Workplace monitoring;
- Safety and personal protective equipment;
- Substance abuse prevention program;
- Periodic medical examinations;
- Provisions for safety inspections, first-aid services and safe, clean areas for meals;
- Formation of jobsite safety committees and assurance of subcontractors' safety organizations; and
- Safety training.

## POWER

**Project Name: OAK GROVE POWER GENERATING FACILITY**

**Client: LUMINANT**

### Project Description:

The Oak Grove power plant currently under construction in Robertson County, TX, will consist of two supercritical lignite-fueled power generation units. When complete, the plant will deliver about 1,600 megawatts of reliable power to Texas.

### 2008 Key Sustainability Points:

- On December 1, 2008, Fluor achieved 6 million safe work hours without a lost-time injury.
- Oak Grove Units 1 & 2 will use the best-available control technology to reduce air emissions. Luminant also will set a new environmental standard by offsetting all sulfur dioxide, nitrogen oxides and mercury emissions from this and other new Luminant plants under construction and by making reductions at Luminant's existing coal-fueled plants.
- Oak Grove will utilize two supercritical coal boilers – burning locally mined Texas lignite – with a selective catalytic reduction system for nitrogen oxides, a fabric filter for particulate control and sorbent injection for mercury removal.
- One of our key objectives in building this power plant for Luminant was to develop and implement a sustainable business model to build power generation facilities for less cost and in less time and to enable consistent power operation at superior reliability.
- Expected benefits in Texas include a significant reduction in long-term power prices relative to the industry.
- The Oak Grove/Kosse Mine Diversity Committee recently completed successful events that included coat and food drives. The Oak Grove staff collected an abundance of food and approximately 150 coats that were donated to the local community.



# PROTECTING OUR PLANET.

## Environment.

Global clients are confronting questions of energy efficiency and supply, power demand, carbon reduction, infrastructure development and other sustainability issues every day. Fluor is being increasingly called on to use leading-edge technical skills to design and build more environmentally friendly capital projects and support our clients in their drive toward a more sustainable future. In addition to supporting client needs, we also recognize that our own operations have an impact on the environment. As such, we have begun to measure our corporate emissions, as well as record energy efficiency and associated environmentally conscious activities in which we are engaged at our facilities around the world.

### Program Elements

Fluor employees worldwide work with clients to implement many projects with environmental standards beyond legal requirements and participate in efforts to improve industry environmental performance in all areas. We incorporate appropriate HSE features into project designs to minimize environmental impacts and the potential for hazardous events. These HSE practices are then consistently applied through the construction phase of every project Fluor executes.

Fluor's training initiatives in the field help those who have front-line responsibility for implementation of environmental sustainability initiatives at project locations. Managers and workers constantly seek to cut energy consumption, work in more environmentally friendly ways, operate in a safer, more efficient manner and contribute to sustainability in local communities.

### Climate Change

Fluor recognizes that the concern among the general public, industry and governments about climate change will likely have a significant impact on business and regulation for the foreseeable future.

Allowing greenhouse gas emissions to rise, with a corresponding potential increase in global temperatures, involves very high risks. Mitigation of these risks is a prudent approach. At the same time, it is essential to keep in mind the importance of energy to the global economy.

In Fluor's role as an engineering and construction services provider, we are prepared to help our clients across various business sectors realize their greenhouse gas emissions-reduction goals through a variety of innovative and technical solutions.

### Corporate Carbon Footprint

Fluor has developed a voluntary global carbon footprint program, using 2006 as the company's baseline year. With the support of ICF International, a leading carbon-emission consultant, Fluor followed the Greenhouse Gas (GHG) Protocol standards for our inventory. Thorough data collection is now conducted annually by Fluor's facility managers.

### Measurement

Fluor selected an "operational control" GHG Protocol approach for determining emissions associated with its global facilities' operations. Our carbon footprint boundary encompasses all company offices, whether owned or leased, all air travel and all owned or leased vehicles used for company purposes. It does not include client project sites. In examining this boundary, the company was rigorous in its data-gathering efforts, and ICF reviewed the information for consistency, accuracy and conformity.

Fluor has also created a dynamic GHG emission data collection process to enhance annual estimates of its carbon footprint, allowing us to update emissions information and identify reduction strategies.

### Methodology

On a global basis, we included all GHG Protocol emission source categories defined as:

- Scope 1 – Direct emissions on-site (natural gas for heating/hot water, fleet emissions)
- Scope 2 – Indirect emissions (electricity usage)
- Scope 3 – Emissions generated from air travel

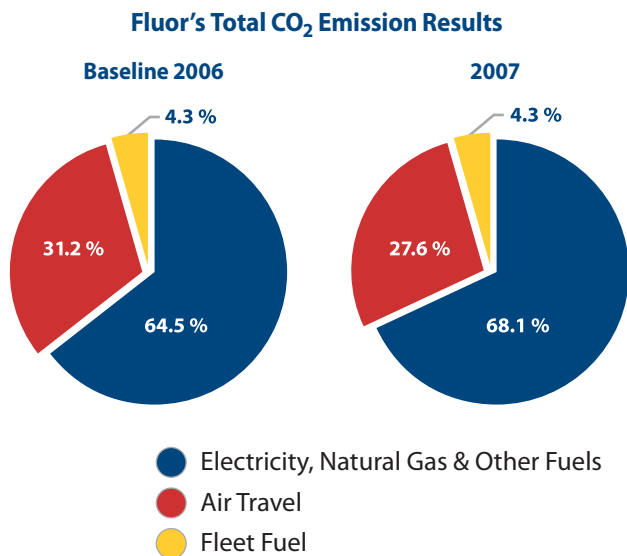
It is these operational areas where Fluor has the greatest ability to both measure and manage our GHG impact, including energy consumption, GHG emissions, ozone-depleting emissions and many other factors. Based on a three-year collection of data, Fluor will consider appropriate ways to reduce its carbon emissions through energy efficiencies, recycling activities and conservation efforts.

“Fluor is gathering data regarding green initiatives occurring at its various facilities, including activities related to energy efficiency, recycling, conservation, landfill avoidance and fleet management. These data will be compiled and then shared globally with all facility leads, so they may seek to learn from one another and improve their sustainable initiatives. The green initiatives data also will be shared internally through a knowledge management community dedicated to this topic. Green best practices guidelines for Fluor offices, as well as specifications for green purchasing and site improvements, will be available as reference for our facility leads, as well as other interested Fluor colleagues. The carbon footprint measurement, in conjunction with the green best practices, will provide Fluor personnel with important tools to help them manage their energy use.”

– David Constable  
Group President, Fluor

## Carbon Emissions

Fluor’s carbon emissions for 2006 – our baseline year – and 2007 are shown below. Electricity constituted the largest emissions category, followed by air travel. Total emissions percentages by source were:



Fluor Group President David Constable, who serves as Executive Sponsor of Fluor’s Carbon Footprint Program, reports: “Fluor has completed two years of carbon footprint calculation and is in the process of calculating its 2008 numbers. These data will allow us to examine the source of our emissions and help identify areas where we can improve our energy efficiency.”

## HSE Management System

Fluor’s proven HSE Management System mandates environmental management controls to mitigate the environmental impacts at all Fluor project construction sites worldwide. As a result of the strong and consistent application of our HSE Management System, Fluor received no Notices of Violation for environmental issues and no resulting monetary or other sanctions for non-compliance for its fourth consecutive year since it began tracking these data in 2004.

## Energy Efficiency and Voluntary Environmental Efforts in Our Offices

Fluor maintains facilities with over 7 million square feet of office space. In an effort to both reduce the financial risk associated with rising energy costs and simultaneously better manage our GHG emissions, electricity and energy-savings initiatives exist at all offices globally. Each facility has developed distinctive solutions based on its unique location and culture. While some activities require capital investments near term, the benefits will be substantial long term.

In 2008, through a variety of energy-saving programs, Fluor reduced its energy consumption by 7.5 million kilowatts globally. This is roughly equivalent to powering over 1,600 computers 24 hours a day, seven days a week for an entire year, or illuminating a 100-watt light bulb for more than 8,333 years. Energy conservation and efficiency improvement examples at Fluor facilities include (but are not limited to):

- Upgrading HVAC systems and installing window tinting;
- Improving electric control systems and installing motion detectors and lighting timers in offices, corridors and washrooms;
- Installing energy-efficient light bulbs and lighting ballasts;
- Consolidating and better managing energy use in data server rooms;
- Continuing implementation of the Verdiem™ system on computers and monitors, which has shown per unit energy savings of approximately 30 percent;
- Installing a new white roof, plus an additional inch of insulation at Fluor’s Greenville, SC, office to reduce energy consumption and improve ambient cooling; and
- Conducting energy awareness and education programs at many Fluor locations around the world, including Australia, Canada, India, Mexico, the Netherlands, the Philippines and Spain.

Our office employees worldwide have taken on additional voluntary efforts to reduce the company’s operational impact on the environment. In 2008, Fluor:

- Recycled well over 3.1 million pounds of assorted bulk materials;
- Installed energy-efficient dishwashers, automatic flow faucets in sinks and water-saving toilets and urinals to save 577,000 gallons of water;
- Recycled and also significantly reduced use of paper by setting copiers to double-sided printing;



- Used non-disposable dishware and cutlery and recycled cooking oils from our cafeterias;
- Recycled toner and ink cartridges and purchased recycled or remanufactured toners, significantly reducing material costs;
- Refurbished and reused more than 1,500 workstations and furniture items globally. We also donated used furniture to charities, avoiding unnecessary landfill volumes;
- Recycled batteries, tires, plastics, filters, cardboard, cans and fluorescent light bulbs. In our Charlotte, NC, office, the company used rolling, reusable moving bins, which eliminated the need to purchase 1,680 cardboard boxes; and
- Installed beverage water equipment, such as on-site water purification systems, to significantly reduce plastic water bottle waste.

### Water Management

As a services provider, Fluor has limited use of, and opportunities to, recycle water. Nevertheless, in Greenville, SC, recycled water is used to irrigate outdoor landscaping at the site. At our headquarters building in Irving, TX, reclaimed water is used for irrigation purposes as well. In Santiago, Chile, polluted water is removed from the facility site at no cost and recycled by a third party. In 2008, the minimum amount of water Fluor recycled was 43,250 gallons.

### Waste Management

Fluor reported no significant spills in 2008.

### Transportation

Globally, Fluor maintains an active and effective fleet program, which reduces energy consumption related to vehicle use. The program offers transportation to employees between offices and designated area locations, as well as for corporate visitors and client events. In many cases, Fluor locations are using hybrid, electric or other “smart green” vehicles to address transportation needs.

## ENERGY & CHEMICALS

**Project Name: CARTAGENA REFINERY EXPANSION**

**Client: REPSOL-YPF**

### Project Description:

This mega-project is the largest downstream investment in Spain's history, doubling the distillation capacity of the Repsol Cartagena refinery from the current 5.5 up to 11 million tons per year. Fluor's scope of work includes the design and construction of new utility units and the refurbishment and expansion of existing units, as well as construction of utilities and offsites.

### 2008 Key Sustainability Points:

- Complex environmental impact assessment conducted due to the following reasons: site located in a busy industrial area, with irregular topography and adjacent to an environmentally protected area; observation of stringent regulations coming into force in 2010; atmospheric emission modeling had to include emissions from potential future facilities in the area; and minimization of fuel-oil usage as combustion fuel. Administrative process involved national and local agencies. Environmental permits were the critical path for the start of construction. Main environmental permit awarded in a record time of 13 months.
- Extensive application of European best-available technologies and techniques for energy efficiency and recovery of water. Energy consumption rate of the refinery within first quartile of Solomon Survey, an industry benchmarking service by Solomon Associates to assess competitive performance. The study collects and analyzes relevant data concerning environmental facilities, resources and other issues affecting environmental operations and performance for refineries.
- Implemented measures to protect the local flora and fauna in the area, including reforestation, as well as landscaping restoration.
- The expanded refinery will emit the same quantity of nitrogen oxides as before, although it will be producing more than twice the product; sulfur dioxide will be reduced by 11 percent and particulates will be reduced by 45 percent from current levels.
- In situ reuse of all excavated soil.
- Dust generation is minimized by paving and reduction of speed limits, rather than by watering.
- Maintenance, including washing of cars and machinery, onsite is forbidden.

The benefits of our proactive fleet management program are substantial. In 2008, Fluor was able to avoid at least 715,000 personal vehicle miles driven and prevent over 94,000 personal vehicle trips. These fleet management actions improved employee productivity and helped manage the company's carbon footprint.

## Our Work

### Technology Advancements, Environmental Protection

In addition to our own efforts, Fluor has the proven experience to help clients quickly achieve environmental compliance in the most cost-effective manner. Over the past 30 years, Fluor has delivered innovative and technical solutions to help clients realize their GHG emission-reduction goals, as shown below:

- Selective Catalytic Reduction (SCR) to remove nitrogen oxides – Fluor has designed and installed many projects using different SCR compliance technologies that service a total power plant capacity of 33,023 megawatts around the world. We are presently working on future SCR projects that total an additional 6,067 megawatts.
- Flue Gas Desulfurization (FGD) to remove sulfur oxide – Fluor has designed and installed projects using many different FGD compliance technologies that service a total power plant capacity of 17,784 megawatts around the world. We are presently working on future FGD projects that total an additional 4,593 megawatts.
- Particulate Control – Fluor has designed and installed projects using various particulate control technologies that service a total power plant capacity of 14,623 megawatts around the world. We are presently working on future particulate control projects that total an additional 1,612 megawatts.

Fluor uses several different carbon dioxide (CO<sub>2</sub>) capture technologies on our projects that remove CO<sub>2</sub> emissions from flue gas stacks and from

# GOVERNMENT

## Project Name: HANFORD CLOSURE SERVICES & INFRASTRUCTURE (CS&I)

### Client: U.S. DEPARTMENT OF ENERGY

#### Project Description:

CS&I provides infrastructure and site services to the U.S. Department of Energy's Hanford Site and involves approximately 750 employees. The \$147 million work scope includes infrastructure construction projects; water, sewer and electrical utilities; fire department; analytical services; facilities and land management; facilities maintenance; transportation, crane and rigging, and fleet services; custodial services; and technical services and engineering.

#### 2008 Key Sustainability Points:

- Mortar-lined a 12-inch-diameter sanitary water line nearly three-quarters of a mile long. Mortar lining is a cost-effective process: twice as much water line can be rehabilitated with mortar lining for the same cost as replacement. Further, the flow rates more than tripled, and the quality of the water improved. The mortar-lining method restores pipelines in place by applying a proven formula of high-strength cement mortar as a liner that stops leaks and smoothes pipe interiors.
- CS&I manages the recycling program for the entire 560-square-mile Hanford site. In 2008, the office paper shredding and recycling program generated 416 metric tons of recycled paper and 22 metric tons of corrugated cardboard. Other items that were recycled include 392 metric tons of iron/steel, 106 metric tons of non-ferrous metal, 319 metric tons of antifreeze, 27 metric tons of engine oils, 13 metric tons of toner cartridges, 15 metric tons of batteries, 5 metric tons of tires, 18 metric tons of fluorescent bulbs and 48 metric tons of lead batteries. In addition, 28 metric tons of electronic equipment was either transferred or donated for reuse.
- CS&I completed reseeding more than 7,000 acres of land that was burned during a wildfire that spread across the site. More than 187,000 pounds of native seed grass were spread.
- Self-generated renewable energy efficiencies:
  - Installed two mobile and 41 fixed solar-powered emergency sirens;
  - Installed five voltaic message reader boards along Hanford roads;
  - A solar-charged battery system now powers 2,530-HZ low-power AM broadcast stations and two radio station sites;
  - A series of solar-charging stations and remotely operated valves and pressure transmitter are used to provide monitoring and control capabilities from a water-plant control room in the middle of the Hanford site; and
  - Water consumption was reduced by 18.8 percent in 2008.

## INDUSTRIAL & INFRASTRUCTURE

**Project Name: NATIONAL ROADS TELECOMMUNICATIONS SERVICES (NRTS) A2NC**

**Client: U.K. HIGHWAYS AGENCY**

### Project Description:

This 10-year National Roads Telecommunications Services (NRTS) project is a public-private partnership to upgrade, operate and maintain the communications systems that link the roadway communication devices (emergency telephones, CCTV, etc.) along the motorways and other main “A” roads in England with the national traffic control and police control centers.

### 2008 Key Sustainability Points:

- The project achieved certification to the international standard OHSAS 18001 for Occupational Health and Safety Systems.
- International standard ISO 27001 Information Security Management certification was also achieved with an extensive business continuity/ disaster recovery exercise undertaken.
- These two further international standards have been added to the existing Quality ISO 9001 and Environmental ISO 14001 standards, with the project becoming one of the first to achieve all four standards.
- The project achieved more than 1.3 million safe working hours.
- Upgrading of equipment on the network has been chosen for suitability and energy consumption. The equipment that will be removed will be sold to reduce waste and recover value.

gasification systems. One such technology that is presently attracting significant global interest is Fluor’s Econamine FG+<sup>SM</sup> process, which is designed to separate CO<sub>2</sub> from power plant flue gas streams. Our company is presently partnering with E.ON Energie AG to showcase the Econamine FG+<sup>SM</sup> technology at E.ON’s pulverized coal power plant in Germany. The plant will be jointly monitored by E.ON and Fluor for a period of three years to prove the commercial readiness of the technology for CO<sub>2</sub> capture from coal-fired power plant flue gas.

Fluor also is a partner in the Powerspan ECO<sup>®</sup> (Electro Catalytic Oxidation) technology. This patented multi-pollutant process provides high removal of sulfur dioxide, nitrogen oxides, mercury, and fine particulate matter from the flue gas of coal-fired power plants. This technology is currently being utilized on a 50-megawatt commercial unit at First Energy’s R.E. Burger Plant’s generating station in Ohio.

Fluor is always looking for ways to improve construction techniques for its clients. We are currently working on a new welding technique that could eliminate metals fumes that occur during conventional welding. This will improve workplace safety while providing higher-quality welds.

### Renewable Energy, Environmental Remediation

A substantial and growing part of Fluor’s business portfolio involves work in the renewable energy and environmental remediation markets.

Evidenced by its recent awards to build two of the world’s largest wind farms off the coasts of the United Kingdom and Scotland and the world’s largest polysilicon plant to fabricate solar panels – all of which will produce clean energy – Fluor is well positioned to provide similar services to clients seeking alternate means of power generation to reduce GHG emissions.

With a team of experienced nuclear professionals and nine nuclear construction projects safely completed, Fluor also stands ready to meet the global demand for nuclear energy. The company has received its nuclear certificates of accreditation, placing Fluor in the top tier of firms capable of developing nuclear projects worldwide.

For many years now, the company has leveraged its commercial operations and program management expertise to support government clients, helping to solve their urgent national priorities of stabilizing substantial quantities of high-level nuclear materials. At several U.S. Department of Energy sites, our experts focus on the safe disposition of large inventories of hazardous materials; the cleaning and demolishing of contaminated facilities; the remediation of groundwater; and a variety of other technically challenging support services. Given our track record of success, we are well positioned to bring this expertise to other similar U.S. Department of Energy sites and to nuclear remediation projects in the United Kingdom, Russia and throughout the world.

## Recognition and Awards

- Newest participant in the Occupational Safety and Health Administration's (OSHA) Voluntary Protection Programs (VPP) Corporate Pilot. Fluor is one of only seven companies in the United States to have been chosen by OSHA for this prestigious program.
- National Safety Council's Robert W. Campbell Award, which recognizes organizations that demonstrate how integration of environmental, health and safety management into business operations is a cornerstone of their corporate success. (Fluor Hanford)
- The Royal Society for the Prevention of Accidents' 2008 Order of Distinction, in recognition of Fluor Limited's (United Kingdom) safety record over the past 17 years (1992 to 2008).
- Ranked fifth in *Engineering News-Record* magazine's list of Top 100 Green Design Firms.
- Energy and Environmental Excellence Award, which honors significant contributions made toward meeting global energy challenges through innovation and technology, given by Hart Energy Publishing.
- Ten awards for "Meritorious Safety Performance" from the National Petrochemical and Refiners Association, recognizing companies that have excelled in managing safe operations.
- ISO 14001 certification of ICA Fluor and its Industria del Hierro Marine Platform & Shop Yard in Mexico.
- Naval Academy Public Works Department's Safety Service Contractor of the Year Award, based on total work hours, job complexity and the numbers of OSHA recordable incidents and lost work days. (Academy Facility Maintenance)
- VCA/SCC recertification of Fluor Netherlands' HSE Management System for fifth consecutive time.
- VPP Star of Excellence (sixth consecutive year) and Legacy of Stars Award (second consecutive year) at U.S. Department of Energy's Savannah River project.
- *Power* magazine's "Top Plant" Award for the Fluor-constructed 242-megawatt power project in Eureka County, NV, for Newmont Mining Corp.

## GLOBAL SERVICES

**Project Name: VARIOUS PROJECTS  
FOR CONFIDENTIAL CLIENT**

**Client: LARGE ELECTRONICS  
MANUFACTURER**

### Project Description:

Fluor assists clients with innovative, energy-efficient and environmental conservation measures to reduce facility operating costs, annual budgets and environmental wastes. In 2008, Fluor assisted a confidential client in the large electronic manufacturing industry with a number of sustainability efforts.

### 2008 Key Sustainability Points:

- Assisted client in developing innovative water conservation concepts and business cases to save over 4 million gallons of water and waste water treatment per year, with a simple payback in less than four years.
- Assisted client in developing a revised sequence of operations for "free cooling" with the flat plate heat exchangers on the chilled water system in the facility's central utility plant. The new sequence shut off multiple 1,000-ton chillers and cooled the building loads through flat plate heat exchangers and the cooling tower condenser water loop. The new sequence saved the client over \$30,000 in two months.
- Assisted client with lessons-learned scenarios. Fluor worked closely with the client's energy team and recognized a trend in the variable frequency drive (VFD) limitations in its Central Utility Plant. The trend would not allow the distribution pumps to reduce their pumping horsepower. Fluor completed a series of calculations and recommended to the client to review and reset the VFD settings. Per the recommendations, the client could achieve approximately \$2 million per year in energy savings at just one site.



All of our employees embrace Fluor's commitment to sustainable endeavors. Every worker on Fluor projects is engaged to help their clients examine the energy efficiency of their facilities and determine areas to reduce CO<sub>2</sub> emissions. Through the application of best-in-class technologies, energy audits and other measures, our company offers customized solutions that enhance the execution of clients' capital projects and improve their existing operations.



# GROWING A FOREST AND THE POPULATION OF AN ENDANGERED SPECIES, TOO.

## The Bear Path Project.

Nocturnal, naturally timid and nearly extinct. Not the description one might ascribe to a bear. But the Cantabrian brown bear, which once inhabited nearly all the mountains and sierras of the Iberian Peninsula, is all these things. Human activity has practically wiped out the species. Now, ironically, it is human activity that might just save it.

That, at least, is what the Community Relations Committee at Fluor's Asturias operations in Spain is working to accomplish. It all began simply enough. In 2008, the committee contacted Spain's Fund for the Protection of Wild Animals (FAPAS) to arrange an educational field trip for employees and their families to the popular Bear Path, a protected area for the endangered bears that passes through the villages of San Andrés, Perlavia and Trubia in northern Spain. Soon, however, the committee had bigger ideas. The same type of development that had brought Fluor and its employees to the area, they learned, was threatening the bears' natural environment and, consequently, the bears themselves. It was time to take action. In continuing discussions, the two groups crafted an additional collaboration. The result: *Project+bears-CO<sub>2</sub>*, an initiative to battle climate change while providing a badly needed natural habitat and food supply for the bears.

In Proaza, a village near the Asturias operations, FAPAS planted a new forest of chestnut and cherry trees that now carries the Fluor name, testimony to the company's financing of the project. Incorporated in the larger Bear Path area, Fluor Forest contains 250 tree specimens that will become biomass fixers, capturing 9.2 tons of CO<sub>2</sub> annually while producing an average of 5,000 kilos of fruit each year for the bears.

"The principle objective of this project is to protect the bears, which made this especially attractive for our funding, but the project actually gave us the opportunity to meet additional objectives," says Javier Peleaz, a senior designer in the Instrumentation department of Fluor Asturias, who has served on the Community Relations Committee the past four years and led the team in 2008. He notes that Fluor's funding of the project is intended to encourage other entities to join.

"Not all companies here do things for the community – Fluor is truly a leader," Peleaz observes. In addition to contributing to protection for the bears, Spanish institutions and companies that elect to participate in the *Project+bears-CO<sub>2</sub>* initiative have the opportunity to compensate their CO<sub>2</sub> emissions and calculate their atmospheric impact on the project's website.

It was the natural beauty of the area that captivated Fluor families on the Bear Path field trip, during which they learned that only three brown bears are currently visible in that portion of the mountains. But Peleaz, who describes the endangered bears as "one of the icons of the area," says the new Fluor Forest is an important step in helping stabilize and increase the local bear population. He adds, "This area is a natural paradise – mountains, beach, forests and the bears. Through our work with FAPAS, we hope to sustain the beauty and protect the environment of the area." Fluor Asturias plans to continue its collaboration with FAPAS and is exploring ways to involve more employees in the work.

Like the other seven members of the Fluor Asturias Community Relations Committee, Peleaz volunteers his time for committee work. It's especially rewarding for him; he was born and grew up in the area, and his family was among those participating in the Bear Path field trip. Committee membership is one way he can combine his career with his community service, and in the case of the Bear Path field trip, light up his five-year-old daughter's face. "She really loves the bears," he says.





|   |                                     |
|---|-------------------------------------|
| <b>Number of trees planted</b>              | <b>250 trees</b>                    |
| <b>Species planted</b>                      | <b>Chestnut and cherry trees</b>    |
| <b>CO<sub>2</sub> tons compensated/year</b> | <b>9.2 tons CO<sub>2</sub>/year</b> |
| <b>Kilograms of fruit/year produced</b>     | <b>5,000 kg fruit/year</b>          |
| <b>Location of the plantation</b>           | <b>Village of Proaza</b>            |

A new forest and initiative in Proaza, Spain, creates a habitat and improves air quality for Cantabrian brown bears.

**“NOT ALL COMPANIES HERE DO THINGS FOR  
THE COMMUNITY – FLUOR IS TRULY A LEADER.”**



# A GLOBAL LEADER WITH LOCAL RESPONSIBILITIES.

## Community & Social Service.

While our core business competencies are engineering, procurement, construction and maintenance, service to the communities in which we live and work is our privilege. Through our projects, philanthropy and employee volunteerism, Fluor is dedicated to building strong and sustainable communities and to having a positive impact on those lives we touch.

Inspired by our corporate value of Teamwork, Fluor employees have collectively given tens of thousands of hours in an effort to meet the needs in their respective communities throughout the world. When combined with our company's annual financial commitment, thousands of charitable organizations and schools benefit from Fluor's generosity and hard work each year.

However, our work in supporting communities is as strategic as it is heartfelt. We begin by engaging with local leaders to determine the areas of greatest need and continue this dialogue throughout our company's presence in a region. This engagement informs our philanthropic and volunteer activities and facilitates our ability to help improve the quality of life. When possible, we also collaborate with our clients to increase the impact of our philanthropic efforts. And our employees, through their personal volunteer time, ensure that Fluor's care is felt as much by those in need as by the agencies and organizations that receive the company's financial pledge.

Our dedication to community service is evident in our conduct around the world. We build, in every sense, with a commitment to supporting philanthropic programs, education initiatives and charitable causes that provide enduring results.

### Fluor Corporation and Fluor Foundation: Doubling Philanthropic Efforts

From its earliest days, Fluor has practiced its belief of giving back. More than half a century ago, the Fluor Foundation was formed and since its inception has focused primarily on areas of need that address long-term community stability and growth: human services, youth programs and education. Acutely aware that we operate on a global scale and share international responsibilities, Fluor and its employees are also addressing environmental protection at the grassroots level.

In 2008, Fluor Corporation and the Fluor Foundation contributed \$7 million to community organizations, educational initiatives and programs in 17 countries. Through the hundreds of organizations we supported, hundreds of thousands of people received assistance.

## 2008 Community Highlights

- \$7 million in corporate contributions to community organizations and education around the world.
- More than 43,000 employee volunteer hours toward 200 team service projects assisting organizations and schools.
- 11,000 backpacks filled with school supplies distributed to 75 schools and youth organizations during the annual Fluor Global Service Project – *Building Futures*.
- \$3.04 million in employee contributions pledged to United Way and health and human service agencies.
- \$218,000 in employee contributions to universities and higher-education programs.
- 20,000 students in classrooms around the world visited by Fluor engineers during Engineers Week.

## Education: The Bedrock of Community Growth

### Higher Education Support is Multifaceted

Preparing tomorrow's workforce to meet future challenges is a key to successful community building. Fluor's long-term strategic relationships with select universities and technical colleges around the world, each nurtured by an assigned executive sponsor, address this need. We provide annual grants to engineering and construction programs, scholarships and support to student associations and career centers. In 2008, among Fluor's substantial grants were those that funded a new master's program at Clemson University for Engineering Supply Chain & Logistics and the Fluor Program for Construction Safety at the University of Florida. In total last year:

- Grants of more than \$600,000 went to 14 U.S. universities.
- Universities in Canada, Chile, the Netherlands, the Philippines, Poland, South Africa and Spain received \$233,000 in grant monies.



Not content with simply making monetary donations to these schools, Fluor goes much further in its support of higher education by engaging directly with students and faculty. Our professionals teach courses as guest lecturers, aid with curricula development and strategic planning as members of college advisory boards, provide students real-world experience through internships, and coach students on career development, presentation skills and more to help them maximize their potential.

Scholarships to individual students are another major element of Fluor's education support. Specifically:

- Fluor's annual scholarship program for children of company employees, launched in 1981, has issued \$10 million in scholarships. In 2008, 141 awards went to employees' children.
- Students at Job Corps Centers have been eligible for annual Fluor Foundation scholarships since 2004. In 2008, \$5,000 scholarships went to 13 students pursuing higher education from centers operated by DEL-JEN, a Fluor subsidiary.

We also provide support for major higher-education initiatives – support that can take the form not only of cash awards but also knowledge sharing. For example, our company has pledged \$200,000 for equipment and renovation costs to the Forever LSU campaign, a seven-year program to raise Louisiana State University to a new level of excellence by focusing on increasing research and scholarly productivity and the quality and competitiveness of its graduate and undergraduate students. One major element of this sweeping initiative is the expansion of the current Safety Research Laboratory. Fluor's aid will help establish a premier research incubator in health, safety & environmental (HSE) matters and ergonomics in industrial construction – developing new ways to work and build that are both smarter and safer. In symposiums and professional development workshops, research findings will be shared with industry HSE professionals. Meanwhile, we will provide input, based on our own experience and knowledge, so the lab can best meet and exceed HSE industry standards.

### **K-12 Education Lays the Foundation**

The Fluor emphasis on engaging directly with students and teachers extends to elementary and secondary programs as well. With an interest in advancing science, math, engineering and technology at the pre-university level, we support target programs at schools and organizations in office locations. Among those receiving assistance:

- High school engineering and construction mentoring programs;
- Saturday science programs;

- Student science teacher internships at research labs;
- High school engineering and science academies;
- College preparatory programs;
- Math teacher training;
- Construction curriculum for high schools;
- Summer engineering camps;
- Student math competitions; and
- Science Center educational programs and exhibits.

Beyond financial aid, many programs receive the benefit of knowledge and counsel from our engineers, who meet with students and teachers and provide tutoring support. Last year alone:

- In the Philippines, Fluor donated computers to schools and taught elementary school students basic word processing, presentation and spreadsheet software skills through our "Basic IT Literacy Program."
- A panel of Fluor female engineers spoke to more than 100 young female students, ages 12 to 17, at the "Beauty and Brains" conference in Calgary, Alberta, Canada, about career possibilities in engineering and other technical fields and encouraged them to pursue excellence in math and science.
- As part of Fluor's international educational outreach during Engineers Week, Fluor engineers led grade-school students in hands-on learning and competitions.

### **Human Services and Youth Programs Have International Presence**

Fluor's community support is guided by company values, but it is executed at the local level to address the specific needs of each location and take advantage of the knowledge and insights only locally assigned employees can have. Aid goes largely to human services, emergency relief and youth programs, although circumstances and special needs can present unique opportunities for involvement.

### **Rising to the Challenge of Disaster Relief**

Working globally, Fluor is keenly aware that natural disasters observe no borders; neither do Fluor employees in their universal response. In 2008, Fluor and our employees united to contribute more than \$185,000 to aid victims of the Chengdu earthquake in China's Sichuan Province, hurricanes along the U.S. Gulf Coast and tornadoes in communities across the United States.

## Recognition

United Way's Chairman Award for increasing employee giving by 10%, having employee participation at a level greater than 50% and \$100 or more employee per capita giving. (Greenville, SC, office)

Perhaps the most dramatic of these efforts was the overwhelming outpouring of support immediately following the 8.0 magnitude Wenchuan earthquake that struck the People's Republic of China in May 2008. Fluor employees in the Shanghai office launched a local campaign to raise funds for the relief efforts. Within a week, employees and Fluor contributed \$112,000 to the China Charity Federation, a United Way member organization that worked with partner organizations to assess and address long-term recovery and reconstruction needs.

### Identifying a Special Need in the United States

The struggling global economy, continuing armed conflicts and multiple tours of duty all put an enormous strain on U.S. military families in 2008. Identifying a special need, Fluor formed a new initiative to provide financial assistance to organizations and programs that assist U.S. military personnel and their dependents. Contributions totaling \$115,000 were granted to organizations that aid wounded military members, help their families and support re-employment programs.

### Fluor Employees Live the Corporate Values

While Fluor Corporation and the Fluor Foundation are building and strengthening communities, the same fundamental values that guide their work are embodied in employees' efforts individually and in teams everywhere Fluor has a presence. In fact, often the company and employees join forces to achieve even greater results.

### Employee Giving Demonstrates Generosity

For more than 55 years, Fluor has supported United Way and its agencies and enhanced those efforts through the Fluor Foundation's match of employee donations at 50 cents on the dollar. During the 2008/2009 campaign, the combined employee pledge of \$3.04 million and the company contribution of \$1.5 million totaled more than \$4.5 million for organizations in Canada, the Philippines, Trinidad and the United States. Annually employee teams coordinate the campaigns, inviting pledges, organizing fundraising activities and volunteering with local United Way agencies.

Our Trinidad operation is just one story that illustrates what the combined efforts of company and employees can accomplish. In 2008, Fluor Daniel South America became one of the contributing companies to the United Way of Trinidad and Tobago. The Fluor Trinidad office launched its first United Way Make-A-Difference fundraising campaign in October and employed a variety of events and challenges to raise awareness and participation.

Another joint effort between Fluor and employees regularly benefits educational institutions. In 2008, employees saw their donations of \$218,000 to 170 universities in Canada and the U.S. doubled through the Fluor Foundation's Matching Gifts to Higher Education program.

### Employee Engagement Inspires Volunteerism

Our tradition of community service is very much part of the fabric of our company, and employees at many of our locations around the world find creative ways to share their time and resources to solve problems in their respective communities. Their efforts have been channeled for more than 30 years through the Fluor Community Involvement Team program. Employee teams annually engage in as many as 10 to 15 community projects in each location that benefit hundreds of organizations each year.

Working together, these employee teams have:

- Constructed homes for Habitat for Humanity, Roof Over Chile, and Gawad Kalinga in the Philippines;
- Delivered meals weekly to senior citizens;
- Built canned food structures for Canstruction®, a North American initiative to benefit local food banks;
- Organized events and gift drives for orphanages;
- Participated in walks and cycling events, raising thousands of dollars for local health organizations;
- Renovated and provided supplies for a preschool in South Africa; and
- Conducted charity golf tournaments that raised \$170,000 for a recovery program and another \$50,000 for a homeless shelter.

Stories of employee engagement abound. For instance, in 2008, our employees at the Sunoco-Toledo (Ohio) refinery project searched for a community project that would benefit local neighborhood children and showcase the engineering, procurement and construction talents of the company. After reviewing many community project applications with city officials, employees adopted Close Park in West Toledo, a community and school gathering place that had deteriorated over the past 20 years.

Their plan: clean up the grounds, revitalize the park and design and build a new playground structure. Donations from Fluor and the equipment manufacturer, and countless volunteer hours logged over a 12-month period by our employees as well as those from several local construction businesses, culminated in a neighborhood ribbon-cutting celebration of the renewed park. The words on the park's cornerstone

expressed the team's vision for the park and underscored the linking of Fluor's business with its passion for building community: "The Stepping Stones of Life Begin in the Heart of a Child."

### Global Projects Unite Fluor Employee Efforts

From Trinidad to Toledo, employees rally to address local needs and participate in activities specific to their location. But they also join Fluor employees around the world in company-wide initiatives that make a difference.

### Global Service Project

*Building Futures*, the Fluor annual global service project now in its eighth year, is all about impacting – and improving – young lives. In 2008, the combined efforts of employees in 29 locations collectively touched the lives of more than 11,000 children. Mindful that studying, like construction, requires the proper tools, employees provided students with backpacks filled with school supplies and helped with school facility renovations, as well as mentoring and educational initiatives.

### Engineers Week

Creating interest among students in engineering careers is one goal employees have in mind when they volunteer for activities associated with the annual Engineers Week. During Fluor's 2008 Discover Engineering school outreach program, employees coordinated student engineering activity days, visited schools, served as judges for science and engineering fairs and held career days at company offices. Thousands of students benefited.

A healthy competitive spirit takes flight in the Friendly Competition, in which Fluor engineers and visiting university students test their creativity and engineering skills by competing globally with colleagues on a hands-on, timed design project. In 2008, more than 300 teams at 28 Fluor locations around the world participated, with employees in our Gliwice, Poland, office earning first place.

Fluor employees in the Philippines applied their best skills to try to win the company's annual Friendly Competition, which is part of global Engineers Week activities.



### Sustainable Green Community Programs

As a global citizen, Fluor engages in local programs that serve the dual function of benefiting the environment and simultaneously improving the communities in which we work. In 2008, Fluor initiated a global survey of green initiatives occurring at our offices. We are proud to report that nearly all of Fluor's facility leads, along with colleagues from all disciplines, are engaged in grassroots voluntary green community activities that bring funds, supplies, nature and well-being to scores of communities globally.

From Madrid to Mexico City and San Francisco to South Africa, Sustainable Green Community Programs highlight Fluor's social responsibility, environmental awareness and local engagement. The general categories for the programs encompass:

- Recycling programs that fund or otherwise support community projects;
- Donations of used office furniture, equipment and supplies to deserving organizations; and
- Habitat replenishment and/or preservation.

## “FLUOR IS DEDICATED TO BUILDING STRONG AND SUSTAINABLE COMMUNITIES AND TO HAVING A POSITIVE IMPACT ON THOSE LIVES WE TOUCH.”

The projects' locations, specifics and donation recipients in 2008 covered a broad spectrum:

- **Santiago, Chile** – Fundación San José, an adoption agency, received 2,400 pounds of recycled paper to help fund its work in supporting birth mothers, infants and adoptive parents.
- **New Delhi, India** – Fluor donated newspapers to two organizations. INDHA, an organization aimed at reducing poverty in rural and semi-rural areas, used recycled newspapers to make shopping bags, which avoids the use of plastic bags, as well as provides income to local women. Literacy India, a nonprofit organization that provides education and vocational skills to underprivileged children and women with the goal of making them self-sufficient, also received papers that were recycled for funds.
- **Tyler, Texas** – An office-wide recycling program yielded funds to support Meals on Wheels, the East Texas Crisis Center and CASA Kids.
- **Edmonton, Alberta, Canada** – Toner cartridges are donated for recycling, and the proceeds support the Edmonton Food Bank. Recyclable bottles and cans are donated to Child Find.
- **Gardena, California** – Aluminum cans from the office are recycled, and the proceeds were donated to Sempre Fi, an organization supporting injured U.S. Marines.
- **Concord, California** – Computer equipment was donated to Computers Recycling Center, a nonprofit organization providing computers for educational purposes.
- **Manila, The Philippines** – Plumbing fixtures helped improve the conditions for the Gawad Kalinga, meaning “to give care,” facility. Its vision is to transform poverty-stricken slums into self-sustaining communities. Its 777 Movement with Fluor Philippines is targeting to build 700,000 homes in 7,000 communities in seven years (2010) nationwide. Additionally, carpet tiles have been donated to Bukid Kabataan, an institution that houses and educates approximately 60 boys and girls, seven to 12 years old, who have been abused, orphaned or abandoned.
- **London, England** – The Marie Curie Cancer Center received furniture, including a boardroom table and 10 chairs, six workstations, office chairs and various storage cupboards and filing cabinets.
- **Haarlem, The Netherlands** – Used furniture was donated to the De Waddenschool Elementary School.
- **San Juan, Puerto Rico** – The Felipa Sánchez Elementary School, located in Naranjito, received a surplus office photocopier.
- **Shanghai, People's Republic of China** – Office furniture and associated supplies were given to Fulin Wenwu Migrant School and Shao Nian Meng Migrant School, both primary schools.
- **Madrid, Spain** – Used toner cartridges were donated to Aldeas Infantiles SOS, an international NGO that offers children a new family and a stable home as the foundation for a productive life. Aldeas recycles cartridges to secure funding for its programs.
- **South Africa** – The Progress Preschool in Secunda, the LEAP School in Johannesburg and Unity College in Sandton all received used office furniture. Porto Cabins donated to the Progress Preschool serve as temporary classrooms while the school is undergoing a major renovation.
- **Calgary, Alberta, Canada** – Centennial High School, the city's only high school with a pre-engineering program, received used office furniture.
- **San Francisco, California** – Fluor employees joined its client to “Save the Bay” by planting more than 650 native seedlings on the eastern shore of the San Francisco Bay in the Eden Landing Ecological Reserve.
- **Mexico City, Mexico** – ICA Fluor employees and families planted 1,060 trees to support reforestation of the San Nicolas Totolopan Ecological Park.
- **Moscow, Russia** – Co-sponsored by the World Wildlife Foundation, Fluor sponsors Mulyashka, the bison, and its natural habitat.

Fluor will continue to support and encourage our employees globally to further develop their Sustainable Green Community Programs. We are also developing new ways to share our green best practices with facility leads and colleagues worldwide through our internal knowledge management communities. We anticipate that the act of engaging in community service through green initiatives will expand as office initiatives are shared over this platform, allowing a greater understanding of ongoing activities that can be realized through engagement and action.

Fluor employees are energetic, self-motivated people who care about improving the lives of others and enriching local communities. Company philanthropic activity helps keep communities healthy and prosperous and makes a positive difference in the quality of life for everyone.





It's a family affair when two young girls – the daughters of ICA Fluor employees – participate in the planting of more than a thousand trees in Mexico's San Nicolás Totolopan Ecological Park.

# VOLUNTEERING CAN BE THE MOST REWARDING PART OF THE JOB.

## The Building Futures Initiative.

In an earthquake-shattered province, children received them in a shipment from a far-off city. Inner-city elementary school pupils got theirs from office workers a short drive and a world away. Preschoolers growing up in the shadow of oil-from-coal extraction plants received a bonus of lunch boxes and juice bottles when theirs arrived. What item could hold such global appeal?

Look no farther than the shoulders of almost every student. Just as music is the universal language, so backpacks are the universal school supply – and a global initiative for Fluor employees. Completing its eighth year, Fluor's *Building Futures* initiative involved 29 Fluor locations in 2008, and the combined efforts of employees touched the lives of more than 11,000 children with a variety of projects. *Building Futures* focuses on disadvantaged children by delivering school supplies and other much-needed items and by providing mentoring opportunities as part of Fluor's involvement in these schools.

"Our company specializes in designing and building. Our backpack project is designed to build futures. It's an easily understood concept that employees relate well to and can support. After all, every employee was once a student, regardless of what income level or part of the world he or she is from," explains Niki Mazuca of Community Relations in Fluor's Houston, TX, office. Her summary resonates with colleagues everywhere.

In Houston, where approximately 50 employee volunteer coordinators received a toolkit and orientation prior to launching the 2008 project themed "Backpacks for Smarties," Mazuca describes the response as "overwhelmingly positive." Originally, plans called for supporting only one school, but employee donations filled a total of 1,550 backpacks – enough for two schools – and left funds to spare for extra supplies.

Houston's idea of holding a backpack-stuffing party traveled across continents and oceans to Fluor's Shanghai office in the People's Republic of China, where employees responded through the *Building Futures* initiative to a national appeal to help victims of catastrophic earthquakes. Kristin Glavitsch, communications specialist, and Rachel Zhang, office service specialist, are members of the office charity committee and coordinated the project – including the backpack-stuffing party, which in 30 minutes completed 350 packs, enough for every student in the Jin Ping primary school in Gansu Province.

For Zhang, a Shanghai native, employee response to the project was especially rewarding. "In China, charitable organizations are newly established, and charity work here is in various stages of development," she explains. "But the whole country focused on the earthquake victims, and in one week the nation gave more to charity than it gave in the entire previous year."

Fluor employees from all area projects reflected that spirit. "Within one week we met our goal, but the donations just kept coming," Glavitsch recalls, crediting the team of coordinators representing every department and project site and the extraordinary generosity of employees. "We were astonished at how quickly people responded." The extra funds went to purchase books for a new school library.

Half a world away, in South Africa, Fluor employees were responding to the backpack project with similar enthusiasm. Refilwe Rakolota, Diana Seeley and Shannon Nesbitt spearheaded the project. Wally Gardiner, general manager of Administration, who has been involved with the community relations efforts in South Africa since 1991, commends their achievements. "We have been able to reach a much bigger and wider volunteer audience. This has resulted in a far greater number of volunteers coming forward than ever before."

Backpacks, lunch boxes and juice bottles went to all 250 students at the Progress Preschool in eMbalenhle, Secunda. Encouraged by this accomplishment, the Community Relations team will expand the project to two schools in 2009.

Students, it seems, are not the only beneficiaries of *Building Futures*. Rakolota, who coordinated volunteer initiatives and the administration required, says, "Working on the project has been a fulfilling experience for me as it added to my own personal growth and has taught me how to think ahead and make plans for everybody involved. I will do it for as long as I work for Fluor."



**“OUR COMPANY SPECIALIZES IN  
DESIGNING AND BUILDING.  
OUR BACKPACK PROJECT IS  
DESIGNED TO BUILD FUTURES.”**

Smiles are bright each year when Fluor employees around the world give backpacks filled with supplies to disadvantaged elementary school children. This *Building Futures* initiative helped more than 11,000 children in 2008.



# ABOVEBOARD IS WHERE OUR BOARD LIKES TO KEEP THINGS.

## Governance.

Good business practices, transparency in corporate financial reporting and the highest levels of corporate governance are essential components of Fluor's success. The company's corporate governance standards promote the principles of integrity, transparency and accountability and are supported by an independent and fully informed Board. We have a long history of judiciously managing our business, running our operations not only in accordance with applicable laws and regulations but also within the spirit of those laws and regulations.

Fluor ensures that its Board of Directors is independent of management and accountable to the company and its shareholders. Consistent with this belief, today at Fluor:

- Excluding the Board's chairman, who also serves as Fluor's chief executive officer, all Board members are independent within the meaning of NYSE rules and Fluor's Corporate Governance Guidelines. They meet regularly (at least quarterly) without members of management present. The Board believes that it is in the best interests of Fluor and its shareholders for Alan Boeckmann to serve as both chairman and chief executive officer.
- The Board's Governance Committee conducts a review each February and makes an affirmative determination regarding the independence of its directors to ensure they have no material relationship with Fluor (either directly, or as a partner, shareholder or officer of an organization that has a relationship with Fluor). In addition, Board members are expected to promptly disclose any situation that involves, or may reasonably be expected to involve, a conflict of interest with Fluor.
- Fluor's lead independent director is appointed for a three-year term by the independent directors. This director acts as a liaison between the independent directors and management and coordinates with the chairman regarding Board of Directors meeting agendas, schedules and information flow. In addition, the lead independent director makes himself available for consultation and communication with shareholders, as appropriate.
- Board committees that address auditing, compensation, corporate governance and nominating functions are comprised solely of independent directors.
- Committee charters clearly establish the committees' roles and responsibilities and are reviewed annually by each committee.
- Corporate Governance Guidelines are regularly reviewed and updated in response to changing regulations and stakeholder concerns. For example, Fluor's Bylaws were updated in 2007 to provide for majority voting in uncontested director elections.

### FLUOR'S SUSTAINABILITY COMMITTEE

**Fluor's Sustainability Committee is charged with supporting the company's commercial success in ways that honor its ethical values and respect people, communities and the natural environment.**

**Formed in 2008 with representation from the highest management levels of the corporation, the Sustainability Committee focuses on all issues related to sustainability; social responsibility; the company's policies, practices and progress on social, technical, human rights, employment, ethical, charitable, political, environmental issues; and other matters of significance to the company's performance and reputation. Included in, but not limited to, these responsibilities are:**

- **Review the social, ethical and environmental impacts of the company's policies and practices and set standards for social, ethical and environmental practices.**
  - **Report on Fluor's sustainability performance indicators through its annual report, website information and other advertising practices.**
  - **Consider and endorse initiatives to enhance Fluor's sustainable business practices and reputation as a responsible corporate citizen.**
- The Organization & Compensation Committee annually reviews Fluor's compensation philosophy and objectives and sets targets for the executive compensation programs.
  - The Board and its committees annually conduct self-evaluations to assess their effectiveness.

We continually strive to develop corporate governance policies and practices that support our commitment to integrity, transparency and accountability. The company will continue to consider appropriate shareholder recommendations for director and other proposals and take any steps the Board believes will further improve our standards, controls and accountabilities. As additional regulations and recommendations on corporate governance are announced, we will continue to make required changes to our policies.

For more information about Fluor's Corporate Governance Guidelines, Bylaws and its Board's composition, committees and independence, visit our website at [http://www.fluor.com/sustainability/corporate\\_governance/Pages/default.aspx](http://www.fluor.com/sustainability/corporate_governance/Pages/default.aspx).





*From left to right, front row:*

**Alan L. Boeckmann**  
Chairman of the Board  
and Chief Executive Officer;  
Director of Burlington Northern Santa Fe  
and BHP Billiton Limited (2001) (1)

**Peter J. Fluor**  
Fluor's lead independent director;  
Chairman and Chief Executive Officer  
of Texas Crude Energy, Inc.;  
Director of Anadarko Petroleum  
and Cameron International Corporation  
(1984) (1) (3) (4)

*Back row:*

**Dr. Peter S. Watson**  
President and Chief Executive Officer  
of Dwight Group (2005) (3) (4)

**Admiral Joseph W. Prueher**  
U.S. Navy (retired); Professor and  
Senior Advisor, Stanford University;  
Former U.S. Ambassador to  
the People's Republic of China;  
Director of Emerson Electric Co.  
and DynCorp International Inc. (2003) (3) (4)

**Dean R. O'Hare**  
Retired Chairman and Chief Executive Officer  
of The Chubb Corporation;  
Director of AGL Resources  
and H.J. Heinz Company (1997) (1) (2) (3)

**Dr. Suzanne H. Woolsey**  
Former Chief Communications Officer  
for the National Academies;  
Trustee of Van Kampen Funds, Inc.  
(2004) (2) (3)

**Kent Kresa**  
Chairman Emeritus and former Chairman  
and Chief Executive Officer  
of Northrop Grumman Corporation;  
Director of Avery Dennison Corporation,  
General Motors Corporation  
and MannKind Corporation (2003) (1) (2) (4)

**Vilma S. Martinez**  
Partner at the law firm  
of Munger, Tolles & Olson;  
Director of Burlington Northern Santa Fe  
Corporation (1993) (2) (3)

**Ilesanmi Adesida**  
Dean of the College of Engineering,  
University of Illinois at Urbana-Champaign  
(2007) (2) (4)

**James T. Hackett**  
Chairman of the Board,  
President and Chief Executive Officer  
of Anadarko Petroleum Corporation;  
Director of Halliburton Company  
(2001) (3) (4)

**Peter K. Barker**  
Retired Partner at Goldman Sachs & Company;  
Director of Avery Dennison Corporation  
and GSC Investment Corp. (2007) (2) (4)

Years in parentheses indicate the year each director was elected to the board. (1) Executive Committee – Alan L. Boeckmann, Chairman; (2) Audit Committee – Kent Kresa, Chairman; (3) Governance Committee – Dean R. O'Hare, Chairman; (4) Organization and Compensation Committee – Peter J. Fluor, Chairman

# GRI INDEX.

Fluor is committed to the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, which have informed the development of this report. For this 2008 report, we have used the GRI “G3” Guidelines and compiled the report according to a self-reported GRI Application Level B.

| Global Reporting Initiative (GRI) Criterion Number | Description   | Section & Page Number(s)   |
|--|---|--|
| <b>Strategy &amp; Analysis</b>                     |   |  |
| 1.1 & 1.2  | Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy. Sustainability strategy and analysis, with description of key impacts, risks and opportunities.   | A Message from the CEO, Pages 6-7  |
| <b>Organizational Profile</b>                      |   |  |
| 2.1, 2.2, 2.3, 2.4 & 2.8                           | Name of the organization. Primary brands, products and/or services. Operational structure of the organization. Location of organization's headquarters. Scale of reporting organization.  | About the Company, Page 4  |
| 2.5, 2.6, 2.7 & 2.9                                | Number of countries where the organization operates. Nature of ownership. Markets served. Significant changes during reporting period.  | Appendix   |
| 2.10   | Awards received in the reporting period.  | External awards listed in respective sections on Pages 16, 28, 42 & 48; internal awards listed in Appendix   |
| <b>Report Parameters</b>                           |   |  |
| 3.1-3.13   | Reporting period. Reporting cycle. Contact point for questions. Process for defining report content. Report boundary and limitations. Basis for reporting on other entities. Data measurement techniques and bases of calculations. Locations of standard disclosures. External assurance of report.  | About the Report, Pages 2-3  |
| <b>Governance, Commitments and Engagement</b>      |   |  |
| 4.1, 4.2, 4.6 & 4.10                               | Governance structure of the organization. Indicate whether the chair of the highest governance body is also an executive officer. Processes in place for the highest governance body to ensure conflicts of interest are avoided. Processes for evaluating the highest governance body's own performance.   | Governance, Page 54  |
| 4.3  | For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.  | Governance, Page 54  |
| 4.4  | Mechanisms for interaction with and feedback to highest governance body.  | Governance, Page 54  |
| 4.5  | Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements) and the organization's performance (including social and environmental performance).   | Available in company's Annual Proxy Statement, online at: <a href="http://investor.fluor.com/phoenix.zhtml?c=124955&amp;p=irol-reportsAnnual">http://investor.fluor.com/phoenix.zhtml?c=124955&amp;p=irol-reportsAnnual</a>  |
| 4.7  | Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.   | Available in company's Corporate Governance Guidelines, online at: <a href="http://www.fluor.com/sustainability/corporate_governance/Pages/corporate_governance_documents.aspx">http://www.fluor.com/sustainability/corporate_governance/Pages/corporate_governance_documents.aspx</a> |
| 4.8  | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. Explain the degree to which these: <ul style="list-style-type: none"> <li>• Are applied across the organization in different regions and department/units; and</li> <li>• Relate to internationally agreed standards.</li> </ul> | All sections of report   |

| Global Reporting Initiative (GRI) Criterion Number | Description  | Section & Page Number(s)   |
|--|--|--|
| 4.9  | Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. Include frequency with which the highest governance body assesses sustainability performance. | Available in company's Corporate Governance Guidelines, online at: <a href="http://www.fluor.com/sustainability/corporate_governance/Pages/corporate_governance_documents.aspx">http://www.fluor.com/sustainability/corporate_governance/Pages/corporate_governance_documents.aspx</a> |
| 4.11   | Explanation of whether and how the precautionary approach or principle is addressed by the organization. Article 15 of the Rio Principles introduced the precautionary approach. A response to 4.11 could address the organization's approach to risk management in operational planning or the development and introduction of new products.  | Ethics & Compliance, Page 14   |
| 4.12   | Externally developed economic, environmental and social principles or other initiatives to which the organization subscribes or endorses.  | Ethics & Compliance, Page 12   |
| 4.13 & 4.14  | Memberships in associations (such as industry associations) and/or national/international advocacy organizations. List of stakeholder groups engaged by the organization.  | Appendix   |
| 4.15 & 4.16  | Identification and selection of stakeholders with whom to engage. Approaches to engagement.  | Stakeholder Engagement, Pages 10-11  |
| 4.17   | Key topics raised through stakeholder engagement and organization's response.  | Stakeholder Engagement, Pages 10-11  |
| <b>Health, Safety &amp; Environmental</b>          |  |  |
| EN1  | Materials used by weight or volume.  | Did not report   |
| EN2  | Percentage of materials used that are recycled input materials.  | Did not report   |
| EN3, EN4, EN16, EN17 & EN19                        | Direct energy consumption by primary source. Indirect energy consumption by primary source. Total direct and indirect greenhouse gas emissions by weight. Other relevant indirect greenhouse gas emissions by weight. Emissions of ozone-depleting substances by weight.   | Partial Disclosure; Environment, Page 38   |
| EN5, EN18 & EN28                                   | Energy saved due to conservation and efficiency improvements. Initiatives to reduce greenhouse gas emissions and reductions achieved. Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.   | Environment, Pages 37-39   |
| EN6  | Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.   | Environment, Pages 40-41; illustrated in Project Profiles, Pages 36, 39-42   |
| EN7 & EN26   | Initiatives to reduce indirect energy consumption and reductions achieved. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.  | Environment, Pages 38-40   |
| EN8  | Total water withdrawal by source.  | Did not report   |
| EN9  | Water sources significantly affected by withdrawal of water.   | Did not report   |
| EN10   | Percentage and total volume of water recycled and reused.  | Did not report   |
| EN11   | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.   | Did not report   |
| EN12   | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.  | Did not report   |
| EN13   | Habitats protected or restored.  | Did not report   |

| Global Reporting Initiative (GRI) Criterion Number | Description  | Section & Page Number(s)           |
|--|--|------------------------------------|
| EN14   | Strategies, current actions, and future plans for managing impacts on biodiversity.  | Did not report                     |
| EN15   | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.   | Did not report                     |
| EN20   | NOx, SOx, and other significant air emissions by type and weight.  | Did not report                     |
| EN21   | Total water discharge by quality and destination.  | Did not report                     |
| EN22   | Total weight of waste by type and disposal method.   | Did not report                     |
| EN23 & EN29  | Total number and volume of significant spills. Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. | Environment, Page 39               |
| EN24   | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.              | Did not report                     |
| EN25   | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.                                       | Did not report                     |
| EN27   | Percentage of products sold and their packaging materials that are reclaimed by category.  | Did not report                     |
| EN30   | Total environmental protection expenditures and investments by type.   | Did not report                     |
| <b>Human Rights</b>                                |  |                                    |
| HR1  | Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.  | Did not report                     |
| HR2  | Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.   | Getting Things Right, Page 17      |
| HR3  | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.   | Did not report                     |
| HR4  | Total number of incidents of discrimination and actions taken.   | Did not report                     |
| HR5  | Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.   | Employees & Workplace, Pages 28-29 |
| HR6  | Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.   | Employees & Workplace, Page 28     |
| HR7  | Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.   | Employees & Workplace, Pages 28-29 |
| HR8  | Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.  | Did not report                     |
| HR9  | Total number of incidents of violations involving rights of indigenous people and actions taken.   | Employees & Workplace, Page 28     |



| Global Reporting Initiative (GRI) Criterion Number | Description   | Section & Page Number(s)                           |
|--|---|--|
| <b>Labor Practices and Decent Work</b>             |   |  |
| LA1  | Total workforce by employment type, employment contract, and region.  | Employees & Workplace, Partial Disclosure, Page 22 |
| LA2  | Total number and rate of employee turnover by age group, gender, and region.  | Did not report                                     |
| LA3  | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.  | Did not report                                     |
| LA4  | Percentage of employees covered by collective bargaining agreements.  | Did not report                                     |
| LA5  | Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.   | Did not report                                     |
| LA6 & LA8  | Percentage of total workforce represented in formal joint management-worker health and safety committees. Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases. | Health & Safety, Page 35                           |
| LA7  | Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region.  | Health & Safety, Page 34                           |
| LA9  | Health and safety topics covered in formal agreements with trade unions.  | Health & Safety, Page 36                           |
| LA10   | Average hours of training per year per employee by employee category.   | Did not report                                     |
| LA11   | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.  | Employees & Workplace, Pages 21-27                 |
| LA12   | Percentage of employees receiving regular performance and career development reviews.   | Employees & Workplace, Page 26                     |
| LA13   | Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.  | Did not report                                     |
| LA14   | Ratio of basic salary of men to women by employee category.   | Did not report                                     |
| <b>Society</b>                                     |   |  |
| SO1  | Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.   | Did not report                                     |
| SO2  | Percentage and total number of business units analyzed for risks related to corruption.   | Ethics & Compliance, Page 14                       |
| SO3  | Percentage of employees trained in organization's anti-corruption policies and procedures.  | Ethics & Compliance, Page 15                       |
| SO4  | Actions taken in response to incidents of corruption.   | Ethics & Compliance, Page 16                       |
| SO5  | Public policy positions and participation in public policy development and lobbying.  | Did not report                                     |
| SO6  | Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.  | Did not report                                     |

| Global Reporting Initiative (GRI) Criterion Number | Description  | Section & Page Number(s)                     |
|--|--|--|
| SO7  | Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.  | Did not report                               |
| SO8  | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.   | Did not report                               |
|  | <b>Product Responsibility</b>  |  |
| PR1  | Improvement assessments of health and safety impacts of products and services.   | Health & Safety, Page 35                     |
| PR2  | Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.   | Does not apply                               |
| PR3  | Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.  | Does not apply                               |
| PR4  | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.   | Does not apply                               |
| PR5  | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.  | Did not report                               |
| PR6, PR7, PR8 & PR9                                | Adherence to laws related to marketing communications, including advertising, promotion and sponsorship. Total number of incidents of non-compliance with laws concerning marketing communications. Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. Monetary value of significant fines for non-compliance with laws concerning the provision and use of products and services. | Appendix                                     |
|  | <b>Economic</b>  |  |
| EC1  | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.  | Community & Social Service, Page 46          |
| EC2  | Financial implications and other risks and opportunities for the organization's activities due to climate change.  | Did not report                               |
| EC3  | Coverage of the organization's defined benefit plan obligations.   | Employees & Workplace, Page 26               |
| EC4  | Significant financial assistance received from government.   | Did not report                               |
| EC5  | Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation.   | Did not report                               |
| EC6  | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.  | Getting Things Right, Page 17                |
| EC7  | Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.  | Did not report                               |
| EC8  | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.   | Community & Social Service, Page 50          |
| EC9  | Understanding and describing significant indirect economic impacts, including the extent of impacts.   | Community & Social Service, Pages 30 & 46-50 |

# GRI APPENDIX.

## Organizational Profile (GRI 2.1-2.10)

### 2.5 Countries Where the Organization Operates

The company's major offices and project operations are located in Afghanistan, Argentina, Australia, Canada, Chile, China, Czech Republic, Dominican Republic, Germany, India, Indonesia, Iraq, Ireland, Jeddah, Kazakhstan, Kuwait, Madagascar, Mexico, the Netherlands, Norway, Peru, the Philippines, Poland, Portugal, Puerto Rico, Qatar, Russia, Saudi Arabia, Singapore, South Africa, Spain, Thailand, Trinidad & Tobago, United Arab Emirates, United Kingdom and United States.

### 2.6 Nature of Ownership and Legal Form

Fluor Corporation is a public corporation listed on the New York Stock Exchange. As of December 31, 2008, shareholders that own 5 percent or more of Fluor outstanding common stock are Barclays Global Investors, N.A. (5.6%) and Capital Group International, Inc. (5.0%). A complete listing of Fluor's subsidiaries is included in Exhibit 21 to the company's Form 10-K filed with the U.S. Securities and Exchange Commission.

### 2.7 Markets Served

Fluor serves governments and leading commercial clients, who serve consumers, across the following industry sectors:

- 1. Oil & Gas**, including chemicals & petrochemicals, gas processing, liquefied natural gas (LNG), gasification, gas-to-liquids, integrated gasification combined cycle, heavy oil upgrading, oil sands, hydrocarbon transportation/pipelines, onshore & offshore oil and gas production, petroleum refining, and polysilicon. Major operations are active in Argentina, Canada, China, Czech Republic, Germany, India, Kazakhstan, Kuwait, Mexico, Netherlands, Norway, Philippines, Poland, Portugal, Qatar, Russia, Saudi Arabia, Singapore, South Africa, Spain, Thailand, Trinidad & Tobago, United Arab Emirates, United Kingdom and United States.
- 2. Industrial & Infrastructure**, including manufacturing, life sciences, mining, metals, commercial & institutional, telecommunications, transportation, and renewable energy. Major operations are active in Australia, Canada, Chile, China, Dominican Republic, Germany, Ireland, Jeddah, Madagascar, Netherlands, Peru, Puerto Rico, South Africa, United Arab Emirates, United Kingdom and United States.
- 3. Global Services**, including operations & maintenance; plant engineering & construction; turnarounds & outages; specialty services; facility management; procurement services; equipment, tools & fleet services; and contract staffing. Major operations are active in the United States, Iraq, Mexico, Indonesia and Australia.
- 4. Government**, including contingency operations, service/base operations, nuclear operations, nuclear remediation and design/build. Major operations are active in Afghanistan, Iraq, Kuwait and United States.
- 5. Power**, including solid-fueled, gas-fueled/integrated gasification combined cycle, plant betterment, nuclear new build, and renewable energy. Major operations are active in South Africa, Spain, United Kingdom and United States.

### 2.9 Significant Changes in Size, Structure and Ownership

Fluor experienced no significant changes in size and structure during 2008. The company acquired two small private engineering companies in Europe, UNEC Engineering N.V. of Antwerp, Belgium, and Europea de Ingenieria y Asesoramiento de Tarragona, Spain, which both join its Global Services business group.

On June 16, 2008, Fluor issued a two-for-one stock split, doubling the number of shares of common stock outstanding from 88 million to approximately 176 million.

With one inside director and 10 non-employee directors, Fluor's Board of Directors is independent from management and accountable to the company and its shareholders. Peter Fluor continues to serve as the Board's lead independent director.

Senior-level personnel changes included the retirements of Jeff Faulk, senior group president, and Larry Fisher, chief legal officer and secretary. Carlos Hernandez was appointed in 2007 to succeed Mr. Fisher, and Glenn Gilkey was promoted to senior vice president of Human Resources and Administration, succeeding Steve Gilbert, who retired in early 2009.

Office changes involved opening a new regional office in Anchorage, Alaska, and expanding office operations in Buenos Aires, Argentina, and Singapore.

### 2.10 Internal Award Recognitions for HSE and Project Safety Milestones

**Fluor Star Awards (Number of Safe Hours Worked), with 5 Stars being the highest award**

- 5-Star Frito-Lay SunChips & Tostitos Scoops, Perry, GA (100,000)
- 5-Star RasGas COP PMT RL(3) (380,000)
- 5-Star Astaldi RasGas RL(3) Common Offplot (1,100,000)
- 5-Star Teyseer / RasGas RL(3) Common Offplot (1,000,000) (2,000,000)
- 5-Star ESS / RasGas RL (3) Common Offplot (500,000) (750,000)
- 5-Star Shaqab Abela / RasGas RL(3) Common Offplot (500,000)
- 5-Star NSN / RasGas RL(3) Common Offplot (10,600,000)
- 5-Star CBI / RasGas RL(3) Common Offplot (2,500,000)
- 5-Star Oak Grove Power (750,000)
- 5-Star SCE&G Wateree (100,000)
- 5-Star Houston Office (22,000,000) (27,000,000)
- 5-Star BG Poinsettie NCMA-Trinidad (500,000)
- 5-Star IBM RTP (4,000,000)
- 5-Star BP Gelsenkirchen Projects, Germany (500,000)
- 5-Star IBM Boulder, CO (3,000,000)
- 5-Star IBM Tucson (100,000)
- 5-Star Jeddah Municipality (500,000)
- 5-Star ACP (American Centrifuge Plant) (100,000)
- 5-Star Fluor/Igoda (1,500,000)
- 5-Star St. Clair Energy Centre (500,000)
- 5-Star Miller Steam Plant (250,000)
- 5-Star St. Clair Energy Centre (500,000)
- 5-Star SCE&G Williams Station (100,000)
- 5-Star Gorgas Steam Plant (250,000)
- 5-Star Greenville Office (3,500,000)
- 5-Star Chevron Pacific Indonesia (20,000,000)
- 5-Star Genesys NRTS Project (1,000,000)
- 5-Star Moses Lake 3.0 Expansion (1,000,000) (2,000,000)
- 5-Star Bergen Op Zoom / Rotterdam Office (5,000,000)
- 5-Star ConocoPhillips San Francisco Refinery (1,000,000)
- 5-Star Fluor Strategic Environmental – Alcoa Warrick (1,000,000)
- 5-Star SCE&G Williams Station (250,000)
- 5-Star KU SO<sub>2</sub> Compliance, Ghent, KY (500,000)
- 5-Star Oconee Nuclear Station Tornada / HELB (100,000)
- 5-Star TXU Energy Martin Lake (500,000)
- 5-Star Oregon Bridge Delivery Partners (1,500,000)
- 5-Star Wood River Borger Project (100,000)
- 5-Star Fluor / NRG – Big Cajun (250,000)
- 5-Star Tasnee PP Expansion Project – Construction (1,500,000)
- 5-Star BP Texas City (1,000,000)
- 5-Star NOMEX\* Expansion & ICL (500,000) (750,000)
- 5-Star Jeddah Municipality (750,000)
- 5-Star Frito-Lay All Projects (250,000)
- 5-Star Kentucky Utilities SO<sub>2</sub> Compliance (750,000)
- 4-Star AMB Kentz / RL (3) RasGas (2,800,000)
- 4-Star RasGas RL (3) Common Offplot (20,300,000)
- 4-Star Houston Office (70,000,000) (76,000,000)
- 4-Star San Bartolome Silver Project (3,000,000) (4,000,000)
- 4-Star Fluor Strategic Environmental – Alcoa Warrick (1,750,000)
- 4-Star NSH/RL (3) Common Offplot (24,000,000)
- 4-Star RasGas / RL (3) Common Offplot Projects (38,000,000)
- 4-Star 3.0 Moses Lake Expansion (3,000,000)
- 3-Star Amgen AML New Expansion Project (1,000,000)
- 3-Star San Bartolome Silver Project (2,000,000) (5,000,000) (6,000,000)
- 3-Star AMECO Worldwide Operations (20,000,000)
- 3-Star Functional Organization Fluor Hanford (2,000,000)

- 3-Star Alcoa Warrick Power Plant (2,000,000)
- 3-Star CBI / RL (3) Common Offplot (3,500,000)
- 3-Star Shaqab Abela / RL (3) Common Offplot (750,000)
- 2-Star Petrotrin C5/C6 Isomerisation (1,000,000)
- 2-Star Moses Lake Expansion (1,500,000)
- 2-Star Habshan Gas Complex (20,000,000)
- 2-Star Lockheed Martin Fluor Hanford (11,000,000)
- 2-Star AML Expansion Project (2,000,000)
- 2-Star Amgen AML New Expansion Project (2,500,000)
- 2-Star Alcoa/Fluor Alliance (1,000,000)
- 1-Star Waste Stabilization & Disp/Fluor Hanford (2,000,000) (3,000,000)

#### Safety Excellence / Million-Plus Awards (Number of Safe Hours Worked)

The Fluor Safety Excellence Awards are reserved for Million Plus safe work-hours with no injury or illness resulting in a DART-L case.

- Fluor Hanford – K-Basins Closure, Richland (4,000,000)
- 2007 Moses Lake Expansion (1,000,000)
- Tennessee Eastman (6,000,000)
- IBM Austin, TX (3,000,000)
- Fluor Hanford – Fast Flux Test Facility (1,000,000)
- KU SO<sub>2</sub> Compliance, Ghent, KY (3,000,000)
- Habshan Gas Complex Expansion (20,000,000)
- Moses Lake Expansion (1,500,000)
- Greenville Office (45,000,000)
- Tripatra Fluor Consortium (20,000,000)
- FGG Construction Affiliates Fluor Hanford (1,000,000)
- Moses Lake Expansion (1,000,000)
- Bergen Op Zoom / Rotterdam Office (5,000,000)
- TS Power Project (3,000,000)
- Moses Lake Expansion (2,000,000)
- Hazelwood – International Power (2,000,000)
- Oak Grove Power Project, Franklin, TX (5,000,000)
- Moses Lake Expansion Project (3,000,000)
- Frito-Lay All Projects (1,000,000)
- Kentucky Utilities SO<sub>2</sub> Compliance (4,000,000)

#### Certificate Awards (Number of Safe Hours Worked)

Fluor Certificate Awards are reserved for safe work-hour achievements that are less than one million safe work hours with no injury or illness resulting in a DART-L case.

- ISAR Project (500,000)
- BP Gelsenkirchen Projects, Germany (500,000)
- Connect Project for London Underground (1,000,000)
- ISAR Project (1,000,000)
- Tripatra Fluor Consortium (20,000,000)
- IBM Boulder (3,500,000)
- Fluor Rail Services-Dampier, WA (750,000)
- Jeddah Municipality Project (750,000)
- Alcoa/Fluor Alliance, TN Location (1,000,000)

#### Silver Cross / Bronze Cross Awards

**Silver** – The Silver Safety Cross Award recognizes those employees who have acted in a life-saving manner and assisted others in distress either on or off the job.

- Lauren Di Giovanni – NE Regional Office, Mt. Laurel, NJ
- Mark Bellamy – CETAC II TO 16 Bagram Barracks
- Oliver Brooks – Miller Power Plant, AL Power, Quinton, AL
- Heath Tidwell – Miller Power Plant, AL Power, Quinton, AL
- Charles Scott – Miller Power Plant, AL Power, Quinton, AL
- Dexter L. Bullard – SCE&G Wateree, Eastover, SC
- Sayardeen Mohammed – Sugar Land Office
- Augustin Fuentes – AMECO Mexico
- Luis Perez – Luminant Dallas
- Ted Holy – Sugar Land Office

**Bronze** – The Bronze Safety Cross Award is awarded to employees who have been involved in an accident or incident where serious injury was avoided through the use of proper personal protective equipment.

- Michael O. Simpson – Luminant Martin Lake

### Governance, Commitments and Engagements (GRI 4.12-4.17)

#### 4.13 Membership in Associations and Advocacy Organizations

Listed below are the principal associations and initiatives with which Fluor is involved in the area of sustainability:

- International Organization for Standardization (ISO), 9000 and 14001, Switzerland
- Transparency International, Germany
- U.S. Green Building Council, USA
- World Economic Forum; “CEO Climate Policy Recommendations to G8 Leaders” Initiative; Global Risk Network; Global Agenda Councils on Corruption and Urban Management; and leadership of the Partnering Against Corruption Initiative, Switzerland
- Business Ethics Leadership Alliance, a partnership with Ethisphere Institute
- Construction Industry Institute’s Sustainability Community of Practice (chair) and *Sustainable Design and Construction on Industrial Projects* Initiative (participating member)
- Mary Kay O’Conner Process Safety Center, United States

#### 4.14 Stakeholders

- Clients
- Employees, union organizations
- Future generations, environmental interests
- Institutions, governments, legislators
- Non-governmental organizations
- Shareholders
- Society at large, communities
- Subcontractors, suppliers, business associations

### Product Responsibility (GRI PR6-PR9)

#### PR6 Adherence to Laws of Promotion/Advertising

As a global engineering and construction contractor working on complex industrial projects that range from hundreds of millions to billions of dollars in size, the majority of Fluor’s business development efforts are based on leveraging our track record of performance, building repeat business (which stands at over 80 percent currently) and focusing on personal contact with existing and prospective clients.

While Fluor does very limited advertising and promotion – primarily in industry trade journals and at conference trade shows – the company ensures all of its marketing communications endeavors and material undergo a rigorous legal review to meet all applicable laws and standards as regulated by the U.S. Federal Trade Commission and other nations’ administrative agencies that work to prohibit unfair and deceptive acts or practices in commerce. Any marketing material produced by Fluor that profiles a client or its project is submitted to the client for approval and use rights.

#### PR7 Total Number of Incidents of Non-Compliance

Fluor has not had any incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship.

#### PR8 Breaches of Customer Privacy / Loss of Customer Data

Fluor does not handle confidential “customer” data subject to data privacy/confidentiality laws, as a part of the ordinary course of its business. Therefore, this reporting category is not applicable to Fluor.

#### PR9 Significant Fines for Non-Compliance

Fluor has not had any significant administrative or judicial sanctions or fines levied against the company during 2008 for failure to comply with laws or regulations concerning the provision and use of its products and services.



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