# Seeking ALIGNMENT

**Moving Forward Together** 



Sustainability Report 2009

FLUOR<sub>®</sub>

### Sustainability at Fluor:

# A DEDICATION to Stakeholder Alignment



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## The history of Fluor and its various stakeholder relationships is a legacy of collaboration, communication and confirmation. When considering sustainability, this can be characterized in a single word — ALIGNMENT.

Like most companies, Fluor must address a variety of sustainability issues, ranging from workplace safety, to anti-corruption, to environmental stewardship, to employee engagement, and

a host of others. All of these issues

touch or impact our stakeholders in one form or another and demand proactive, thoughtful management.

As a global services company, alignment begins with our clients. We know they expect us to share a common belief in, and to demonstrate a common bias for, action on clear and consistent sustainability practices. But more than that, our clients count on Fluor to bring expertise, experience and commitment to bear in helping them analyze and address their sustainability issues – even while performing the most challenging work in often remote, difficult geographies.

Alignment extends to Fluor's other stakeholders just as powerfully. Our employees, shareholders, communities and the non-governmental organizations with whom we interact, all have expectations of Fluor when it comes to operating in sustainable ways. To accomplish and maintain this record of alignment, Fluor practices open and consistent communication with all stakeholder groups, sharing ideas on

best practices and new thinking. As sustainability metrics are collected, analyzed and improved upon, it confirms that by focusing on these behaviors and practices, progress can be made in ways that are socially, environmentally and economically favorable.

Our report begins with a discussion with three clients - ExxonMobil, E.ON Energie and BHP Billiton. We asked these clients two basic questions: What are your principal sustainability challenges? And, what are your expectations of engineering and construction companies like Fluor in helping you address such challenges? The answers confirmed our beliefs that companies like ours are expected to reflect the very best standards for sustainability within our own operations, and are further expected to provide the most effective solutions in helping clients address their sustainability needs.

The report further provides an in-depth progress report on work accomplished during 2009 to further instill a number of sustainability best practices into our global operations. It concludes with a focus on two major projects that demonstrate how our practices work to the benefit of our clients and align with the interests and needs of other stakeholders as well.

## A Message from the **CEO**

Dear Valued Stakeholder,



By its very definition, sustainability is about making quality decisions. These decisions are often characterized by complexity, with the potential to affect multiple stakeholders in very different ways. It is, therefore, incumbent upon companies like Fluor to embrace stakeholder engagement as an essential strategy. When done effectively, engagement encourages meaningful, relevant dialogue and brings diverse perspectives into the decision-making process that ultimately yield quality results.

At Fluor, sustainability is characterized by a purposeful, proactive approach to stakeholder engagement. Our processes range from direct day-to-day interactions, to sophisticated client feedback and employee engagement surveys. We use these processes to achieve alignment with stakeholders, ensuring that our decision-making not only benefits our operations, but also the interests of our key constituencies.

As a global services company focused on the design and construction of highly complex capital projects, we recognize that our stakeholders are critical to our success. These include clients, employees, investors, the communities in which we have offices and client projects, and a number of non-governmental organizations.

Many of the priorities associated with sustainability at Fluor are a result of our ongoing interactions and interface with our customers. Clients rely on Fluor to help them address their sustainability challenges and issues, including the need to improve energy efficiency, reduce greenhouse gas emissions, and design and build more environmentally friendly, less costly manufacturing facilities. We know from experience that they place a premium on ethical conduct;

high levels of employee knowledge and expertise; excellence in health, safety and environmental matters; and a proactive approach to community involvement. So while we fully utilize the Global Reporting Initiative criteria for our sustainability reporting, we place a special emphasis on those areas that we consider to be essential to our clients' business success.

In striving to address these roles and responsibilities, I am pleased to report that Fluor made a great deal of progress throughout 2009. We continued to place considerable emphasis on ethical conduct and anti-corruption - areas that I believe represent some of the most significant challenges facing the global engineering and construction industry. By extension of our own policies and practices - those that have been refined and enhanced through our involvement with Transparency International and the World Economic Forum's Partnering Against Corruption Initiative – we have successfully implemented specific, far-reaching anti-corruption and ethics language into our supplier agreements. This is of great significance, as a major component of Fluor's reputation and its commitment to clients has been our all-encompassing focus on ethical conduct. We recognize that as project managers, our suppliers are an extension of our corporate culture. Therefore, we take great care to ensure that our clients can be confident these ethical practices extend throughout all phases of our services and our subcontractors' procedures, processes and operations.

A significant challenge in 2009 involved coping with the global recession and its impact on our workforce. While it became necessary to reduce employment levels in certain locations, we did our best to handle the process with compassion and a respect for the dignity of all those affected. Despite these reductions, we continued to enhance the quality of our work environment. Major steps were taken last year to improve the company's performance-assessment process, an initiative inspired by feedback from our employee engagement survey. By year-end, nearly all of our full-time employees had received a performance review under this new system.

We also made a conscious decision to maintain our commitment to developing and supporting sustainable communities and to continuing our traditional level of charitable giving. While Fluor's work of building some of the world's greatest capital projects can last for years, the effect of our presence in the communities in which they are built may continue for decades. This is why Fluor focuses on enduring sustainable actions, such as craft training for indigenous workers to support ongoing employment opportunities; health, safety and environmental stewardship; energy-efficiency, wastereduction and recycling programs; renewable-energy and environmental-remediation initiatives; as well as community philanthropy and employee volunteering. These actions all demonstrate the Fluor spirit of responsibility, duty, and sustainability.

In addition, a new companywide sustainability procedures manual offers clear guidance and direction for implementing sustainability best practices into our own operations, as well as on our clients' projects worldwide. This manual represents a notable and

valuable addition to Fluor's longstanding, uniform application of processes and procedures for the optimal completion of capital projects. Together, they represent the heart of our commitment to excellence in execution.

Finally, we continued to make significant strides in bringing technical know-how and innovation to our clients, as we helped them address their sustainability issues and challenges. From emissions reduction to energy efficiency and much more, we believe that our clients place a high value on the solutions we uniquely provide. Within this report, we highlight two projects that demonstrate a broad range of sustainability best practices developed and implemented by Fluor on our clients' behalf. I believe these are excellent examples of how partnerships with Fluor effectively serve the sustainability requirements of companies worldwide.

I am most proud of our 2009 accomplishments, particularly when considered in the context of a global recession. While it would have been easy to reduce financial commitments to sustainability in a challenging business environment, we remained grounded in our core values of safety, integrity, teamwork and excellence. Our stakeholders would expect no less, and perhaps most important, we always demand more of ourselves.

Sincerely,

Alan L. Boeckmann

Chairman & Chief Executive Officer

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## 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 projects in ways that increase our 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. Through its five business groups, Fluor serves a diverse set of industries worldwide including oil and gas, chemicals and petrochemicals, transportation, mining and metals, power, operations and maintenance, life sciences and manufacturing, and government.

#### OIL & GAS

Fluor's Oil & Gas segment provides a full range of services on a worldwide basis to the upstream production, downstream processing and petrochemical industries. Fluor is one of the few companies with the global scope, experience and program management capabilities to handle the largest, most complex projects in challenging geographic locations.

#### INDUSTRIAL & INFRASTRUCTURE

Industrial & Infrastructure is Fluor's secondlargest business group and includes projects in the transportation, mining, life sciences, telecommunications, manufacturing, and commercial and institutional industries. As world economies continue to expand, our Industrial & Infrastructure group should continue to be in high demand.

#### **GLOBAL SERVICES**

Global Services is a solutions-based business group that encompasses operations and maintenance, equipment services, supply chain solutions and temporary staffing. The long-term and ongoing nature of this group's work - whether developing a cost-effective maintenance plan at the outset of a project or identifying ways to make an existing plant more profitable - adds elements of stability to the Fluor portfolio.

#### **GOVERNMENT**

Our Government group has a proven record of success serving U.S. agencies including the Departments of Energy, Defense and Homeland Security, among others. We are confident that our solid reputation with these and other government entities should continue to provide opportunities for Fluor.

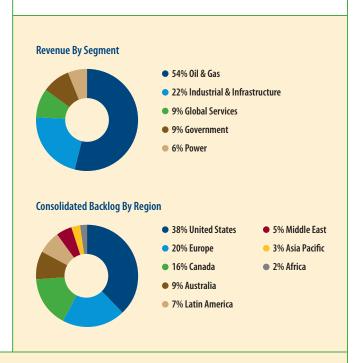
#### **POWER**

Our Power group designs, builds, commissions and retrofits power generation facilities to meet the need for clean energy. In 2009, combined-cycle gas-fired plants and front-end engineering and design work, including alternative energy solutions, led our new awards. Looking ahead, Fluor is extremely well positioned to service the growing global power generation demand across all fuel types, including coal, gas, nuclear and renewable energy sources.

Fluor's market capitalization on December 31, 2009, was \$8.1 billion. For 2009, revenues were \$21.9 billion with net earnings of \$684.9 million. Cash and marketable securities at December 31, 2009, were \$2.6 billion. Total assets were \$7.2 billion, and debt was \$127.5 million. Total shareholders' equity stood at \$3.3 billion. Fluor experienced no material changes in size or structure during 2009, although some developments are outlined in the GRI Content Index, Criteria 2.9, on page 65.

New awards for the year were \$18.5 billion and year-end backlog was \$26.8 billion.

During 2009, more than 36,000 employees approximately 25,000 salaried and 11,000 craft/hourly performed work on behalf of Fluor's global client base. More than 60 percent of these employees were located in the United States; nearly 20 percent in the Europe, Africa and Middle East region; and approximately 10 percent each in Asia Pacific and North and South America (excluding the United States).





## About **THE REPORT**



Our annual sustainability report features quantitative and qualitative data for CALENDAR YEAR 2009, with additional qualitative material from previous years.

#### **SCOPE AND BOUNDARY**

The reporting scope is global, unless otherwise noted for situations or circumstances where reporting data are collected and available only for a certain geography, business or issue. The report covers Fluor's corporate operations as well as its business groups and wholly-owned subsidiaries worldwide and their material economic, environmental and social impacts.

#### **MATERIALITY**

This report is aligned with the information contained in our Annual Report on Form 10-K, our 2009 Annual Report to Shareholders and our Annual Proxy Statement for the 2010 Annual Meeting of Shareholders.

Fluor has prepared this report under the direction of the company's Sustainability Committee. Materiality of content included in this 2009 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; Corporate Development; Government Relations; Health, Safety & Environmental; Human Resources; Investor Relations; Law; Project Development & Investments; Public Affairs; and Sales & Strategic Planning.

The report was developed to serve the interests of clients, employees, shareholders, lenders, financial analysts, rating agencies, suppliers and subcontractors, non-governmental organizations, media and the communities in which the company operates.

Fluor used the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines as a guide for developing this report and 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. For a full explanation of the GRI guidelines, visit www.globalreporting.org.

In this document, Fluor reports on only those G3 indicators that were relevant to its business operations and measurable in 2009. In the context of Fluor's carbon footprint, this 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 Fluor and its subsidiaries' employees and subcontractors.



Using the Global Reporting Initiative guidelines enables Fluor to measure the company's sustainability performance and improve it annually.

A GRI Content Index is included with this report to provide an index of references and supplemental information that demonstrate how Fluor is meeting each G3 indicator. The Index can be found beginning on page 64.

Fluor did not employ an external agency or organization to audit this report. However, the company recognizes the importance of independent external assurance to enhance the credibility of its reports and will continue to examine options to obtain third-party review of future reports.

For more information about Fluor's global sustainability efforts and to share your thoughts about this report, please contact:

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> "Fluor used the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines as a guide for developing this report and to promote transparency and accountability."

## **GLOBAL SUSTAINABILITY:**

A Roundtable Discussion with Fluor Clients



As a global services company focused on the design and construction of highly complex capital projects, our business priorities are driven by our mission to meet the needs of our global clients, who COUNT ON FLUOR'S TECHNICAL EXPERTISE, EXECUTION EXCELLENCE AND INNOVATION to help them meet their growing sustainability challenges.

> On the following pages, executives from three key client organizations share their perspectives on sustainability, the challenges they face, and their expectations of engineering and construction contractors.

• Ken Cohen, Vice President of Public and Government Affairs at ExxonMobil, one of the world's leading corporations and a major producer of energy. Fluor has a long-standing history of performing engineering, procurement, construction and maintenance services for ExxonMobil and its affiliates worldwide. Over the past 10 years, project locations have included Angola, Canada, Kazakhstan, Qatar, Russia, Saudi Arabia and the United States.

- Ricus Grimbeek, Vice President of Health, Safety, Environment and Community at BHP Billiton, the world's largest diversified natural resources company. Since 2001, BHP Billiton has engaged Fluor, individually and through a joint venture to provide engineering, procurement and construction management services. To date this partnership has successfully delivered six major iron ore projects in Western Australia.
- Dr. Bernhard Fischer, Global Fleet Manager and Member of the Board at E.ON Energie, the world's largest electricity and gas energy services provider. In 2008, E.ON and Fluor entered into a strategic partnership for the development of a retrofitted pilot plant utilizing Fluor's commercially proven Econamine FG<sup>+</sup> carbon capture technology. The team is working jointly to further advance the Econamine technology for application within existing and future clean coal-fired power plants. Fluor has also recently supported E.ON's subsidiary, Kentucky Utilities Company, with the installation of flue gas desulfurization (FGD) systems at their Ghent and E.W. Brown plants in northern and central Kentucky. The FGD systems have reduced sulfur dioxide emissions at the coal-fired plants and enabled Kentucky Utilities to meet state emissions requirements in a cost-effective manner.

### LET'S START WITH A BASIC OUESTION: HOW DOES YOUR COMPANY DEFINE SUSTAINABILITY?

Ricus Grimbeek: Today, for us, it is about providing mineral resources to diverse markets around the world in a socially and environmentally responsible way. And that starts with the safety of our employees, our contractors and our

communities. On the environmental side, we look at efficient use of natural resources such as water, land, energy and all of the other things we report annually in our sustainability report. Because we mine a finite resource, and produce oil and gas both onshore and offshore, we also have to work today in a way that leaves sustainable communities and environments when we close our operations.



Ken Cohen Vice President of Public and Government Affairs ExxonMobil

**Ken Cohen:** The foremost challenge the world faces at this time is returning to a path of sustained and expanding prosperity for people around the world. Key to meeting that challenge is providing reliable and affordable supplies of energy to meet a dramatic increase in energy demand. By 2030 - only 20 years from now – global energy demand will be almost 35 percent higher than it was in 2005. That figure takes into account the recent economic downturn, as well as significant gains in energy efficiency expected in the years ahead. It is an enormous number, and represents a stark challenge.

At ExxonMobil, we are committed to meeting this challenge while balancing the three drivers of sustainability – economic growth, social development, and environmental protection. Focusing on this balance helps to guide our decisions and it helps us anticipate the needs of the future.

Dr. Bernhard Fischer: Speaking for E.ON Energie, this is quite an important question because we as a utility, as an electricity provider, have to find the right balance between climate reliability, the security of supply, and economic issues. When we find the right balance, we can say this is a sustainable situation for us as a company and also as a society where we operate.

IT'S NOT SURPRISING THAT YOUR DEFINITIONS OF SUSTAINABILITY SHARE SIMILARITIES. BEING THAT YOU REPRESENT SUCH VARYING BUSINESSES, CAN YOU TELL **US ABOUT YOUR MOST PRESSING SUSTAINABILITY ISSUES** AND CHALLENGES?

Ken Cohen: No doubt, sustainability requires attention across a wide range of fronts. While the discussion for some understandably focuses on the environment as the sine qua non of sustainability, I would say in our industry that environmental compliance and improvement is a given, and we are also focused on additional objectives that must be met, such as operations integrity, disciplined project management, and being a good corporate citizen wherever we operate.

Dr. Bernhard Fischer: Our research and development efforts focus on enhancing efficiency along the entire energy value chain. Along with reducing greenhouse gas emissions, enhancing the efficiency of generating technology also reduces fuel consumption. The rise in fossil fuel prices over recent years has demonstrated that resource conservation is an issue for today, not just for the future. The most important challenge of the moment is on the climate side. In the last three years, discussions about climate change have left us faced with asking ourselves if our production is really sustainable, or are we just using fuels and not looking at what will happen afterwards. As a result, we are engaging in all these areas - renewables, new technologies like carbon capture sequestration, and efficiency improvements.



Ricus Grimbeek Vice President of Health, Safety, **Environment and Community** BHP Billiton

Ricus Grimbeek: Our sustainability issues are very diverse. With about 100 operations around the globe, some will obviously be more important than others. But if I had to identify a couple of overarching ones they would be safety of our employees and contractors in very tough conditions, constantly working to leave a better environment, better understanding our role in greenhouse gas reduction to help cut carbon levels and leaving positive community legacies.

## **HOW DO MAJOR ENERGY PRODUCERS MEET GROWING GLOBAL DEMAND WHILE REMAINING TRUE TO** THEIR SUSTAINABILITY OBJECTIVES? WHAT ROLE DO **CONTRACTORS LIKE FLUOR PLAY?**

Ken Cohen: This global energy challenge is stark precisely because energy factors heavily into our standards of living. Imagine life without electric power and appliances...without modern means of cooking...without heating fuels...without the ability to go to hospitals or schools for lack of reliable and efficient transportation. It is hard to comprehend. But for billions of people today around the world – and potentially billions more in the future – such impoverished conditions are not imagined, but real.

At the moment, about 1.5 billion people lack electricity. About 2.5 billion lack access to modern cooking or heating fuels, and they are forced to rely on burning wood, dung, or other dirty and dangerous energy sources to cook and stay warm. And billions more lack a reliable means to access medical and educational facilities.

The global energy demand challenge is fundamentally a humanitarian challenge that we are all compelled to meet.

**Dr. Bernhard Fischer:** We are not able as a utility to develop in all details the new technologies that will help us improve the generation process, so we need suppliers and engineering companies that can develop these things. At the same time, engineering and construction companies cannot develop things alone, so they need to work with us in close coordination; otherwise there is no possibility to really test new developments. We are interested in developing pilot plants, deploying new technologies, and exploring new ideas of what we can do next. That is how I see we can cooperate but also what we expect from our contracted engineers.

## ARE EFFICIENCY, TECHNOLOGY AND INNOVATION FACTORS THAT YOU ARE LOOKING FOR AN ENGINEERING AND CONSTRUCTION COMPANY TO BRING TO THE SUSTAINABILITY TABLE?

Ken Cohen: Yes, in fact it would be an assumption. It's part of the ongoing stewardship of the relationship. It's the value-add that both of us should be looking at every day - how can we do things better, make operations more reliable and efficient - and in the long run, more sustainable.

Ricus Grimbeek: We are always looking for the best technology and ideas on how we can become more energy efficient and how we can convert waste streams into energy. We are also very interested in understanding low or no carbon energy sources.

## WHAT OTHER EXPECTATIONS OF ENGINEERING AND **CONSTRUCTION CONTRACTORS LIKE FLUOR DO YOU HAVE** TO HELP YOU MEET ADDITIONAL SUSTAINABILITY GOALS?

Ricus Grimbeek: We expect both our employees and contractors to meet consistently high standards of performance in all aspects of health, safety, environment and the community. We want everyone working for, or impacted by, our operations to be safe, to feel safe and see that we care for people and for the environment. In short, we do what we say we will do. Where we have a big construction operation going on, we want to make sure that our contractors also do the same as us in terms of local sourcing, labor, education, improvement of healthcare and decent housing. We also recognize that there is a lot we can learn from leading organizations like Fluor in the further refinement of our systems and practices. For instance, we particularly appreciate the leading role Fluor has played in the establishment of the Partnering Against Corruption Initiative through the World Economic Forum.

**Ken Cohen:** Safety in our operations is job #1. Our contractors know that our focus is relentless on safe operations and operational integrity. If our contractors are doing that well, we have discovered over the years that they will also tend to perform well in other aspects of the business important to ExxonMobil, such as financial discipline, operations integrity, ethical business conduct and environmental performance.



Dr. Bernhard Fischer Global Fleet Manager and Member of the Board E.ON Energie

**Dr. Bernhard Fischer:** It is nearly impossible to cooperate with companies that are not engaged in a robust commitment to sustainability. I think this is in a certain way a question of common sense, common thinking, of common solutions. It is also in the outside world a question of image and perception. And so, for us, when we are searching for companies as suppliers, as partners, as service providers, we are looking for these companies to have the same mindset as we have in this area.

### **HOW IMPORTANT IS IT THAT YOUR PARTNERS AND** SUPPLIERS DEMONSTRATE THEIR OWN SUSTAINABILITY?

**Dr. Bernhard Fischer:** Not every one of our partners and suppliers can demonstrate a solid record of sustainability at the moment, but in the next couple of years it will be a prerequisite for doing business with us - you must be able to demonstrate it.

Ken Cohen: We look for demonstrated performance in the key areas of safety and environmental performance, business controls, efficient allocation of material, personnel, time – all of that is critical. We look for companies that operate with a solid business model, with people who are committed to doing the right thing, adhering to well-established business principles that have weathered the test of time.

SO WHAT DOES THE FUTURE LOOK LIKE PERTAINING TO SUSTAINABILITY, BOTH AS A REFLECTION OF YOUR COMPANY'S PHILOSOPHICAL AND PRACTICAL APPROACH. AS WELL AS GLOBAL ORGANIZATIONS WORKING IN TANDEM TO IMPROVE THEIR OVERALL SUSTAINABILITY PERFORMANCE?

Ricus Grimbeek: Looking ahead, a company like ours aspires to be seen as part of the future rather than an old-style resources company that extracts commodities and then walks away. We believe that the commodities we produce, both minerals and oil and gas, are vital to the world and vital to helping to lift millions of people out of poverty. So, we want to be part of shaping that world – a world where BHP Billiton will be known as a company that operates without hurting people and creates sustainable environments and communities where we operate even after we close the operations. We also aspire to be among those business leaders who will have a positive influence on what happens in terms of global and regional issues. We will do these things because our values and beliefs are aligned with the local communities and their needs.

Dr. Bernhard Fischer: Countries in the world have different approaches to reach sustainability. Countries like Germany have a strong push for renewable energy; there are countries with quite a strong push in the direction of natural gas; and there are some focusing very strongly on carbon capture

sequestration technologies at coal-burning plants. In the United States, there is even a new step forward in nuclear. It is not bad that we have different approaches to development around the world, but the problem is that we don't have coordinated development. That is necessary in this respect because climate change and sustainability are global issues and it is necessary that we find global solutions. That does not mean that in all countries we have to do the same things, but that we do it in a coordinated manner. We are not yet doing that, and that is a problem.

Ken Cohen: The transformation of the global energy system throughout modern history has been the result of not only an untold number of scientists, engineers, managers and operators across the energy industry, but also scores of inventors, innovators and entrepreneurs who developed a vast array of technologies that enable the way of life we enjoy today. Over time, these modern technologies and the energy needed to fuel them have come together in the marketplace to satisfy economic needs and help provide a road to prosperity for people around the world. Societal expectations evolve over time, and successful companies adjust to those changing expectations. So by definition, well-run companies are sustainable or they wouldn't stay in business over the long term.

> Our business priorities are driven by our mission to meet the needs of our global clients."





Fluor not only works internally to reinforce its ethics and compliance programs but also collaborates with external stakeholders to fight corruption at all levels.

In his letter to stakeholders that begins this year's report, Chairman and CEO

Alan Boeckmann reiterated the critical importance that ethical conduct and anti-corruption play in Fluor's approach to global business. This role is not only relevant

to the company's day-to-day operations and projects, but remains among the most significant sustainability issues facing the global engineering and construction industry.

As such, during 2009, the company continued to put substantial effort and resources toward strengthening its own ethics and compliance programs while collaborating externally with stakeholders who share Fluor's commitment to addressing the fight against corruption at all levels. The ultimate goal of these efforts continues to be the creation of a competitive, level playing field, free of bribery and related forms of public and private sector misconduct. It is also our goal to do all we can to fight the corrosive impact of corruption – an impact that redirects resources from serving the public interest to unlawful acts that curb economic growth, deter investment, distort prices and undermine legal and judicial systems.

During the year, Fluor was recognized for its commitment to high standards of ethical behavior and for advancing these standards both internally and externally. The company was named one of the "100 Best Corporate Citizens" by the Corporate Responsibility Officers Association and, for the third consecutive year, one of the "World's Most Ethical Companies" by Ethisphere Magazine. In addition, the company was also honored for having the "Best Overall Governance, Compliance and Ethics Program" for small- to mid-cap companies by Corporate Secretary magazine.

Throughout 2009, we put much of our focus on four core areas: enhancing internal ethics and compliance processes, building anti-corruption and integrity into our global supply chain, monitoring third-party agents and taking steps to further

> We are not hesitant to walk away from those agreements where concerns outweigh benefits."



The Corporate Executive Board's Compliance and Ethics Leadership Council conducted a survey among an employee sample to assess the clarity of compliance and ethics expectations.

advance the company's engagement with external stakeholders and non-governmental organizations.

#### **ENHANCING INTERNAL PROCESSES**

During 2009, the company's internal efforts were most centered on risk assessment, training and certification, and reporting.

#### **Risk Assessment**

Fluor's Business Risk Management Framework is a formalized and systematic process for assessing and monitoring Fluor's business risks, including the potential for corruption associated with execution of the company's global projects. For both Fluor and our clients, the task of managing risk begins when a project is a prospect. Our approach is designed to identify what can go wrong and to further identify mitigation strategies for eliminating such risks. There are occasions when we make the decision to not pursue a project because our analysis concludes it cannot be executed in a corruption-free environment.

During 2009, we engaged a third party - the Corporate Executive Board's Compliance and Ethics Leadership Council – to measure the company's ethical culture and susceptibility to misconduct. Utilizing the Cultural Diagnostic Survey, a tool designed to help companies lower their operational risk by identifying areas of increased susceptibility to misconduct, the Council assisted Fluor in assessing its "Integrity Index Score." The survey was conducted among a sample of Fluor's employee populations at various levels and from different sectors within the organization. The survey asked employees to assess the clarity of compliance and ethics expectations, whether they've observed misconduct and their comfort level in speaking up about misconduct. The Council's examination and benchmark analysis against other companies and industry peers determined that Fluor exceeded performance standards in every category, including a willingness to report misconduct and not feeling pressure to compromise standards. What's more, nearly 77 percent of all Fluor employees were ranked as "Ethics Champions" defined as those who responded positively to questions posed and who represent the smallest potential risk to the company. The survey benchmark for Ethics Champions within other companies averages just 63 percent.



More than 98 percent of salaried employees have been trained on Fluor's Code of Business Conduct and Ethics.

#### Training and Certification

Fluor provides a variety of training programs to ensure its employees understand and comply with the company's highest ethical standards. Our web-based training on Fluor's Code of Business Conduct and Ethics (Code) is intuitive, interactive and scenario-based, offering practical advice on how to handle real-life, complex ethical dilemmas and listing available resources for help. Special emphasis is made on key risk areas, including anti-corruption, conflicts of interest and insider trading. The training is required for all salaried employees. To date, just over 98 percent of these employees have been trained on the Code, which includes Fluor's anticorruption policies and procedures.

The company also developed a new web-based training course in 2009, "Handling Employment Law Issues and Employee Concerns," which all U.S. supervisors will be required to take in 2010. This course teaches supervisors how to maintain an open door environment where employees feel comfortable speaking up about misconduct. In addition to this and other electronic training modules, Fluor conducts live, interactive programs for employees who have a higher likelihood of being exposed to ethical challenges and would benefit

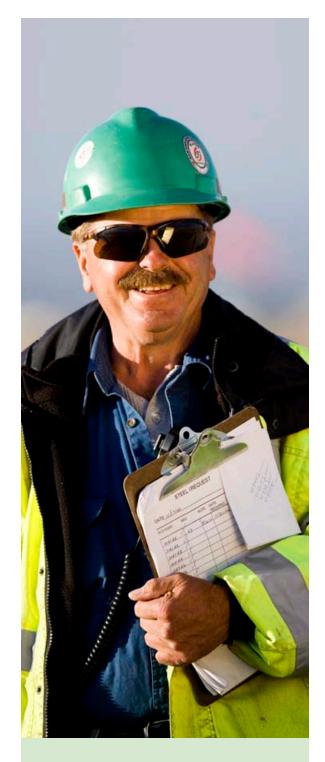
from additional dialogue and coaching. These face-to-face classes include anti-corruption, export control and other high-risk areas.

On the certification front, all salaried employees are required to review Fluor's Code and certify acceptance on an annual basis. This practice provides an additional opportunity to disclose ethical concerns or situations that could be interpreted as involving a conflict of interest. In 2009, we achieved 100 percent employee completion of our Code certification.

To ensure the success of Fluor's Ethics and Compliance Program, the company continues to monitor developments in compliance matters, benchmark other leading programs and is committed to developing training to ensure Fluor's high standards of ethics, compliance and integrity remain world class.

#### Reporting

It is important to Fluor that employees are not intimidated or reluctant to report concerns about unethical, illegal or improper behavior. In 2009, Fluor strengthened its internal reporting mechanisms in preparation for a "Speaking Up" campaign to encourage employees to use all tools



Suppliers are required to comply with all standards set forth in Fluor's Business Conduct and Ethics **Expectations for Suppliers and Contractors.** 

at their disposal to help ensure complete compliance with all laws, regulations and company policies. One of those tools is the Compliance and Ethics Hotline, which received a total of 379 calls in 2009, all of which were investigated. Hotline reports by category were as follows:



Clients, suppliers, subcontractors and partners may also use Fluor's Compliance and Ethics Hotline to anonymously report any suspected misconduct. Managed by an independent organization, the hotline is available 24 hours a day, seven days a week, with translation support.

#### **SUPPLY CHAIN**

During 2009, Fluor formalized its Business Conduct and Ethics Expectations for Suppliers and Contractors. These expectations were formulated as a high-level, values-based document, rather than a detailed code of conduct, to allow our partners flexibility in adopting procedures and controls that best fit their companies' business models. We articulated clear standards for our suppliers - and for their suppliers - to adopt working conditions and business conduct and ethics standards as high as our own, including the prohibition of child and forced labor; health, safety and environmental performance; fair competition; and zero-tolerance for bribery and corruption.

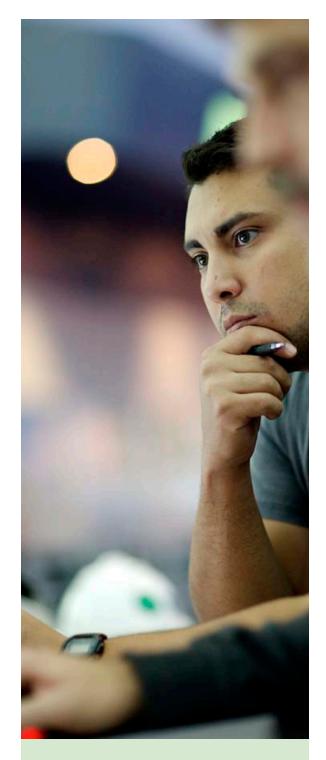
As part of the global terms and conditions that govern Fluor purchase orders and subcontracts, we require suppliers to comply with our expectations. We reserve the right to verify that our expectations are being met, and we will discontinue relationships with businesses that fail to act responsibly. Our expectations are discussed on an ongoing basis with all preferred suppliers and training support is available for interested business partners.

#### **MONITORING THIRD-PARTY AGENTS**

Each year, Fluor's internal auditors conduct an average of 40 reviews with the operations and lead finance managers on a sampling of Fluor projects and offices. Every full-scope audit engagement utilizes a comprehensive ethics and compliance questionnaire designed to ensure we comply with anti-corruption laws.

Among the questions asked: Does your project use an agent to expedite business development or administration? How is the agent paid? What is the total amount paid to date and what are the anticipated payments through the end of the project? Do you know of any transactions that are not recorded in the Company's books and records (e.g., cash receipts and/ or payments, commitments or obligations to make payments in the future unrelated to ordinary project procurement activities)? After nearly a decade of use, this ongoing auditing has become a process firmly embedded in the company and one that provides us with another measure of diligence on important matters of anti-corruption, ethics and compliance.

Fluor 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 to the mitigation of corruption risk. If local laws require the use of a third-party agent or local content, we perform thorough due diligence and training, include anti-corruption provisions in agreements, and are



Fluor's limitation on third-party agents and nonreliance on a commission-based sales structure reduces the risk of corruption.

vigilant in looking for "red flags." We also limit the employees who are permitted to have contact with our third-party agents. Because of the high risk agents pose, we completed a special audit of agency payments to verify that payments made were consistent with our requirements. This first formal review of agents put into place a continuous monitoring process that will provide additional assurance going forward.

#### **ENGAGEMENT WITH EXTERNAL STAKEHOLDERS**

During 2009, Fluor expanded upon its long-standing, proactive engagement with external stakeholders focused on furthering anti-corruption policies and practices. Chief among these efforts was the company's involvement in the World Economic Forum's Global Redesign Initiative. The Initiative seeks to formalize a range of public policy recommendations for consideration by public and private sector leaders with the broad goal of improving the performance of institutions that serve the greater society. In



The "Speaking Up" campaign encourages employees to call Fluor's Compliance and Ethics Hotline to report misconduct. Clients, suppliers, subcontractors and partners may use this reporting tool anonymously as well.



Business Conduct and Ethics Expectations for Suppliers and Contractors is a high-level, valuesbased document that sets the highest standard of business conduct along the entire chain of suppliers to Fluor.

support of the Initiative, Chairman and CEO Alan Boeckmann and Chief Operating Officer David Seaton both served on the Forum's Global Agenda Council on Corruption. The Council provided substantive input and recommendations as part of the Global Redesign process. Work by the Council and the Initiative will continue throughout 2010.

The company also continued with its leadership role in the Forum's Partnering Against Corruption Initiative (PACI). Work through PACI focused on development of third-party review mechanisms for assessing the effectiveness of corporate anti-corruption programs and the creation of tools to assist small-cap companies in establishing anti-corruption programs based upon the PACI principles.

Finally, the company became a signatory to the United Nations Global Compact and serves on the steering committee for its 10th Principle on Anti-Corruption.

## Personal Courage, Corporate Reputation Combine to **Overcome Intimidation Attempts**

he following is a true story. The identities of the individuals involved and the geographic location where the incident took place have intentionally been masked.

It sounds like something out of a movie. Two corrupt local government officials try to intimidate a corporate manager, applying pressure in person over a business lunch and electronically via text messages – an instance of corruption in a location where such behavior is widely acknowledged as simply part of the business culture.

But even though this was no movie, there were heroes and ultimately a happy ending - thanks to Fluor's legacy of integrity and the courage of one person to apply it consistently.

Fluor wanted to apply for occupancy of approximately 5,000 square meters of office space to employ roughly 800 people in a special zone offering long-term tax incentives. The manager for Fluor inquired with local officials about securing the necessary approvals, and that's when things got complicated.

"I was told by two city council members that they would need a substantial amount of money in exchange for acquiring the number of approvals required for our request," said the Fluor manager. "They texted me saying they needed a large cash payment, a couple of new computers, and some other demands. The way they put it was that they 'needed some money for the boys.'

"I told them no, that Fluor is a highly ethical company and that we just don't do business this way," she said. "They had problems with me. But I stayed firm."

A higher-ranking city official who had once worked for Fluor validated the Fluor manager's stance. "He was very good in speaking for us," noted the Fluor manager. "He saw our sincerity and trusted in us. We invited the city council members to visit our offices, to see how professional we are, and to educate them on how our presence was helping to expand employment in their districts."

The demands for payments eventually stopped, the necessary approvals were acquired, and Fluor moved into the special tax-abatement zoned space. A happy ending, sure. But what about the moral of the story?

"This ordeal was very tough for me," said the Fluor manager. "These were a couple of pretty tough guys. It took some courage to hold my ground, but what helped a lot was that the positive image of Fluor was already there and that we qualified legitimately for the necessary approvals. That was a major factor in how all of this was resolved. The councilmen figured out that Fluor was never going to give in to this sort of thing.

"I always reported each text message or discussion with the council to my managers, and they said to tell the council that Fluor's policy in this regard cannot and will not be changed," she recalled. "But even beyond that, the message to the council also included talking about the fact that our reputation for integrity also extends into doing all we can to help the community. One of the council members saw first-hand that this was true when a natural disaster hit the community and Fluor responded with volunteers and other forms of assistance without ever having to be asked.



We continually strive to develop corporate governance policies and practices

that support our commitment to integrity, transparency and accountability. In this way, Fluor can advance the long-term sustainability of the company and

maintain alignment with an important stakeholder group, our shareholders. Throughout 2009 and into 2010, our Board remained focused on a number of key governance areas, including Board independence, leadership and composition, as well as Board oversight - all of which are crucial to effective governance.

#### **BOARD INDEPENDENCE**

Fluor's dedication to good corporate governance begins with an independent and fully informed Board of Directors. Excluding the Board's chairman, who also serves as Fluor's chief executive officer, all Board members are independent within the meaning of New York Stock Exchange rules and Fluor's Corporate Governance Guidelines. In addition, each of the Audit, Governance and Organization and Compensation Committees is composed entirely of independent directors. Consequently, independent directors directly oversee critical matters such as the remuneration policy for executive officers, succession planning, our corporate governance guidelines, policies and practices, and the integrity of our financial statements and internal controls over financial reporting.

#### **BOARD LEADERSHIP**

The current leadership structure provides independent Board leadership and engagement while also deriving the benefit of having Fluor's chief executive officer serve as chairman of

the Board. While our corporate governance documents permit the roles of chairman and chief executive officer to be filled by different individuals, the Board of Directors currently believes that it is in the best interests of Fluor and its shareholders for Alan Boeckmann, Fluor's chief executive officer, to serve as chairman of the Board. The Board believes that Mr. Boeckmann, as the individual with primary responsibility for managing the company's day-to-day operations, is best positioned to chair regular Board meetings and to lead and facilitate discussions of key business and strategic issues.

However, the Board has also designated one of its independent members, Peter J. Fluor, to serve as the Board's lead independent director for a three-year term. His primary responsibility is to preside over and set the agenda for all executive sessions of the Board of Directors in which management directors and other members of management do not participate. He also approves agendas and schedules for meetings of the Board and information sent to the Board, chairs Board meetings in the chairman's absence, acts as a liaison between the independent directors and the chairman, provides guidance on the director orientation process for new Board members, provides consultation and communications to shareholders as appropriate and monitors communication to the Board

> Fluor's dedication to good corporate governance begins with an independent and fully informed Board of Directors. "

from shareholders and other interested parties. His duties are closely aligned with the role of an independent, non-executive chairman, thereby providing additional independent leadership to the Board.

#### **BOARD COMPOSITION**

The Board of Directors believes that the Board, as a whole, should include individuals with a diverse range of experience to give the Board depth and breadth in the mix of skills represented for the benefit of shareholders. Accordingly, the Board and Governance Committee consider the qualifications of directors and director nominees both individually and in the broader context of the Board's overall composition and the company's current and future needs. Fluor's directors currently have experience with businesses that operate in industries in which the company operates or have particular skills that are beneficial to the company's business, such as knowledge of financial matters, risk oversight, government contracting and familiarity with non-U.S. markets.

To ensure Board members continue to have the skills desired by the Board and are continuing to best serve our shareholders, each member of the Board who is one year away from reelection is evaluated annually, and prior to his or her nomination, by the chairs of the committees upon which the member serves. These evaluations are used by the lead independent director to provide feedback on individual performance.

The Board also has policies and procedures in place to ensure that conflicts of interest are avoided. Board members are required to promptly disclose any situation that involves, or may reasonably be expected to involve, a conflict of interest with Fluor. In addition, the company has a written policy regarding approval of transactions to which the company is a party and the aggregate amount involved in the transaction exceeds \$100,000. The policy provides that the Governance

Committee reviews certain transactions subject to the policy and determines whether or not to approve or ratify those transactions.

#### **BOARD OVERSIGHT**

As part of its oversight function, the Board of Directors monitors how management operates the company. When granting authority to management, approving strategies and receiving management reports, the Board considers, among other things, the risks and vulnerabilities the company faces. In addition, the Board discusses risks related to the company's business strategy at the annual strategic planning meeting every June. The Board also delegates responsibility for the oversight of certain risks to the Board's committees, each of which reports quarterly to the Board regarding the areas of risk it oversees.

#### **CONTINUING REVIEW AND CHANGE**

The Board of Directors is dedicated to good governance, even if change is required. Corporate Governance Guidelines and committee charters, along with other Board policies, are regularly reviewed and updated in response to changing regulations and stakeholder concerns. The company will continue to consider appropriate shareholder recommendations and proposals and will 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 and to better our practices for the benefit of our shareholders.

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

#### 2009 BOARD OF DIRECTORS



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



California Chairman JP Morgan Chase & Co. (2007) (2) (3)



Alan L. Boeckmann Chairman and Chief Executive Officer Fluor Corporation



Lead Independent Director Fluor Board of Directors Chairman and Chief Executive Officer Texas Crude Energy, Inc. (1984) (1) (3) (4)



Chairman, President and Chief Executive Officer Anadarko Petroleum (2001) (3) (4)



Nader H. Sultan Senior Partner F&N Consultancy (2009)(3)



Suzanne H. Woolsey **Retired Chief** Communications Officer The National Academies (2004) (2) 3)



Kent Kresa Retired Chairman and Chief Executive Officer Northrop Grumman (2003) (1) (2) (4)

spotlight on



Dean R O'Hare Retired Chairman and Chief Executive Officer The Chubb Corporation (1997) (1) (2) (3)



Admiral Joseph W. Prueher Schlesinger Distinguished Professor University of Virginia's Miller Center of Public Affairs (2003) (3) (4)

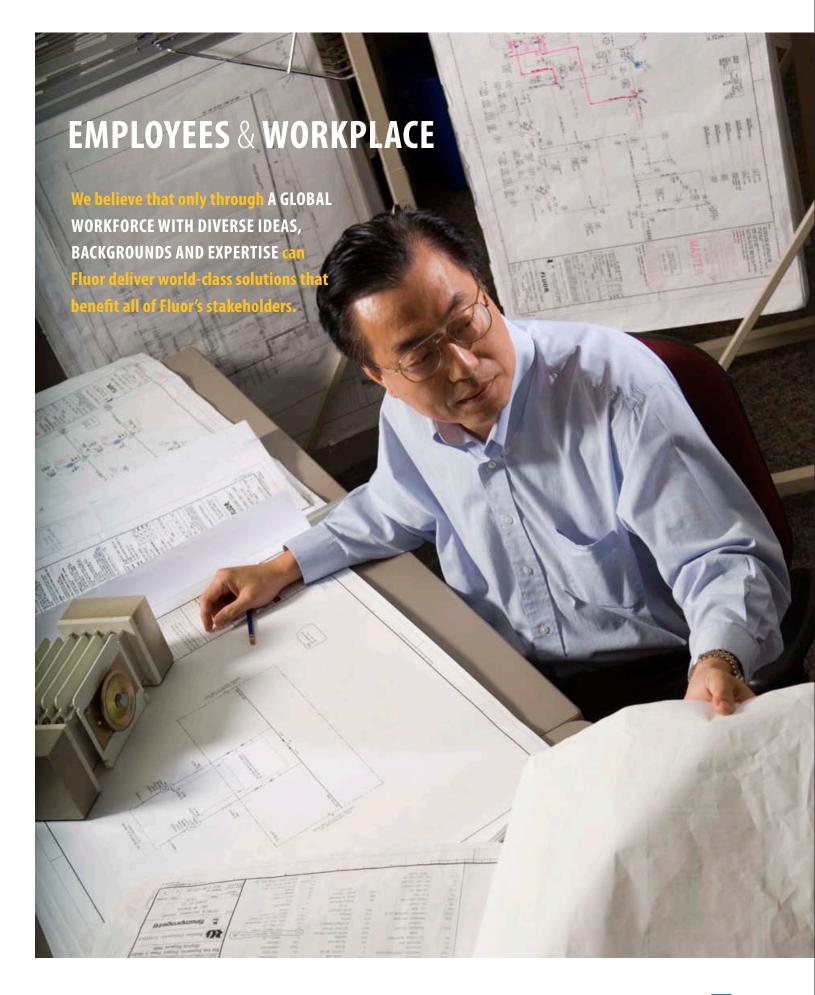
## Fluor's Committee to **Champion Sustainability**

ecause of the varied nature of Fluor's operations around the world, the company chose to use a committee Dapproach to guide its sustainability efforts. This Sustainability Committee has oversight of policies, practices and progress on social, technical, human rights, employment, ethical, charitable, political, environmental, and other matters of significance to Fluor performance, business activities, or reputation as a global corporate citizen. The committee also develops the framework for integrating sustainability into Fluor's business model and culture.

Some of the major duties of the Sustainability Committee – which comprises senior management representatives of key functions, meets at least four times a year, and reports annually to the Chief Executive Officer and group presidents – include:

- · Providing oversight and guidance for the development, implementation and monitoring of a companywide sustainability policy.
- · Serving as the center of excellence for the collection, review and assessment of data relative to the company's sustainability criteria.
- Providing direction and oversight for all internal and external reporting on sustainability matters.
- Providing counsel and advice to any corporate entity, business unit, project or work team on sustainability issues.
- · Identifying, promoting and monitoring sustainability "best practices" that have the potential to enhance corporate, business unit and project performance.
- · Serving as the clearinghouse for assessing and determining company involvement in sustainability-related organizations, such as the U.N. Global Compact.

"Sustainability is an important part of what we do at Fluor, in every location, every day," said David Constable, Group President, Operations, and Chair, Fluor Sustainability Committee. "For that reason, the committee approach works well here, as we gather input from all perspectives and work to implement a cohesive and constructive program of sustainability across the corporation."



Starting with leadership commitment that includes the Board of

Directors, and moving through areas including employee hiring, development, and support; learning and education; and assessment, metrics, and

recognition, Fluor integrates people and business strategies across the company. We continuously evaluate workforce issues that support company objectives and align policies, processes and practices to achieve long-term goals tied to sustainably maintaining a competitive advantage.





Craft & Hourly Salaried

## Employee Composition (by Business Group)



We believe that only through a global workforce with diverse ideas, backgrounds and expertise can Fluor deliver world-class solutions that benefit all of Fluor's stakeholders - employees, customers, shareholders and the communities in which we live and work.

#### **Diversity & Inclusion**

Fluor's comprehensive efforts to foster diversity and inclusion enable the company to:

- · Attract, develop, support, and retain a world-class workforce well-equipped to meet the challenges of the future.
- · Offer employees an engaging work environment that presents each person with opportunities to attain his or her full potential.
- · Generate global, cross-cultural understanding and innovative thinking that can be relied upon by Fluor's worldwide client base.
- · Establish effective relationships with business and joint-venture partners and consortia, as well as facilitate the successful integration of mergers and acquisitions.
- Expand opportunities for a broad range of businesses in an extensive network of goods and services suppliers.
- · Have a positive effect on the quality of life in the communities in which Fluor employees live and work through the company's support of education, health, and human services programs.

"Fluor's Global Workforce Diversity & Inclusion approach operates from the premise that diversity and inclusion are essential leadership responsibilities."



Fluor's Global Workforce Diversity & Inclusion approach operates from the premise that diversity and inclusion are essential leadership responsibilities. We continuously work to ensure that our workforce is both diverse and inclusive to help sustain our competitive advantage. This includes the representation of women, which can be challenging in the engineering and construction industry. In 2009, our salaried workforce was 75 percent male and 25 percent female.

Here are some highlights from 2009 regarding diversity and inclusion efforts:

- The Mentoring Circles program, in which members of Fluor management serve as mentors to small groups of employees, had 135 "circles" in operation at 13 global locations, with 1,280 mentees.
- In the Graduates Advancing to Professionalism program, a management-sponsored global network of Fluor employees helping newly-hired college graduates transition from academic life to professional careers, 45 percent of members are U.S. minorities.
- Fluor attended U.S. national technical conferences, career fairs and events that focused on attracting and developing women and minorities, including the National Society of Black Engineers, the Asian American Engineer of the Year, the Society of Women Engineers, the Society of Hispanic Professional Engineers, and Catalyst.

#### **Human Rights**

Fluor has a long history and demonstrated commitment to fostering an environment that recognizes and supports all aspects and dimensions of human rights. In 2009, Fluor became a signatory to the United Nations Global Compact and abides by all 10 principles of the Compact, including Principles 1 through 6 relating to human rights.



Fluor's diverse and inclusive workforce is an advantage in today's competitve marketplace.

Fluor has had no incidents of child, forced or compulsory labor anywhere in the world. Fluor's Security employees are trained in company policies and procedures related to operational human rights issues. The company hires local residents whenever possible, and offers ethics and compliance training so that all employees are comfortable reporting concerns about improper practices.

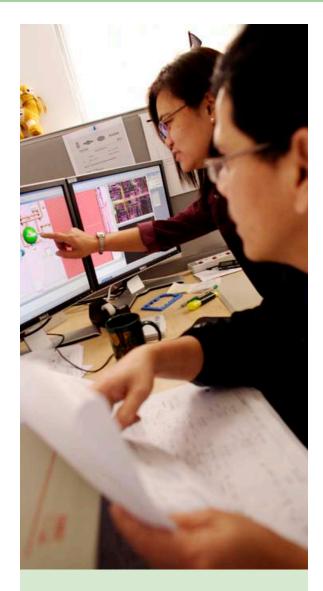
#### **Work Environment**

In our drive to attract and maintain top talent in support of business goals, Fluor incorporates many initiatives to maintain positive and engaging work environments, both from a local standpoint and a global perspective.

For example, the Fluor Philippines office regularly keeps abreast of the latest compensation and benefits trends in the local business community through active networking with professional business groups. They also engage employees in focus group discussions and conduct surveys on a regular basis to gauge the level of satisfaction with the company's total remuneration practices, gathering ideas that further support the alignment of employee basic needs with company pay philosophy and practices.

Another example is Fluor's U.S. Wellness Program. It is a comprehensive approach to helping employees and their families live healthier lives by making better nutritional and behavioral choices and even led to Fluor being named a "Fit Friendly" company by the American Heart Association.

At the corporate level, we seek to design a benefits strategy that balances cost with increased productivity and efficiency. In 2009, Fluor performed a global inventory of its benefits plans. After establishing a benchmarking analysis of the results in 2010, a global strategy will be developed that applies a consistent philosophy across countries, yet meets cultural norms and business needs to enhance our local competitiveness.



A global inventory of benefits plans will help Fluor establish a consistent strategy appropriate to varying cultural norms and business needs.

The company also began preparing for the next Employee Engagement Survey in 2009. The actual survey will be conducted in 2010. The last survey occurred in 2006 and led to the complete recasting of career development tracks and the entire performance evaluation system, with initiatives based on best practices.



Training provided through Fluor University develops talent among our employees and helps them maximize their potential.

#### **Training**

Fluor is committed to providing ongoing training and education for its employees, which results in added value to our clients and the enhancement of long-term business growth.

Fluor University®, the company's primary talent development tool, assists employees in maximizing their potential so they can achieve superior personal, project, and company performance through 24/7 access to more than 1,000 online technical, functional, business, and leadership programs. More than 200 instructor-led courses across multiple disciplines and career levels are also available. Totals for various training metrics in 2009 were:

#### Instructor-Led Training

- 77,115 total participant hours of instructor-led courses conducted
  - 4,124 employees completed instructor-led courses

#### Online Training

- 95,482 total participant hours of online courses conducted
  - 15,378 employees completed online training courses

The Fluor University website serves as the global portal for all courses. Employees also are encouraged to pursue

external job-related learning opportunities through professional organizations, colleges and universities.

Fluor provides craft training opportunities to build upon existing knowledge and skills for workers at all experience levels and in all parts of its worldwide operations. Fluor's world-class training and certification programs are designed to build skills and certify craft excellence as new hires progress from helpers to journeymen to foremen and beyond. For example, in 2009 Fluor established a craft training center in Cotui, Dominican Republic, by partnering with the local technical training college and the Caribbean vocational consortium. Some 1,000 local workers acquired craft skills and leadership training to qualify them for employment opportunities at projects in the Dominican Republic and around the world. This represents just one of the many instances where Fluor's work improves the quality of life in communities both during the life of a project and long after it has been completed.

Through Fluor's award-winning pre-employment welder training programs in Greenville, South Carolina, and Houston, Texas, numerous pipe welders have been trained and placed on Fluor construction and maintenance sites throughout the United States. These award-winning programs have produced

graduates who have been recognized nationally by the ABC Craft Championships and Virginia's Creating Excellence in Education, as well as many other awards over the years.

In 2009, Fluor implemented a Trades Certification and Validation Plan to evaluate the skills of its workforce supporting the U.S. Army's Logistics Civil Augmentation Plan IV (LOGCAP IV) contract. Written examinations prior to conducting training at project sites in Afghanistan help to evaluate the skills of workers who comprise American expatriates, foreign nationals and host country nationals.

Coaching Matters: People, Performance & Profit, Fluor's coaching program, was incorporated into the Fluor leadership curriculum this year. Developed to build communication skills and assist managers during performance assessment and career development discussions, this program focuses on the basics of coaching and uses a Fluor-designed simulation to allow participants to practice coaching scenarios.

#### **Career Support**

At Fluor we understand that our best asset is our people, and our strong commitment to employee and leadership development demonstrates that fact. Our success as a major, publicly held corporation ultimately depends on acquiring, developing, and deploying a highly skilled global workforce, utilizing employment practices that are built on the principle of treating people with fairness and respect. Here are highlights from 2009 illustrating how that philosophy has been carried out:

• Fluor implemented two programs that have been designed to improve employee career plans and goals for continuous improvement. The first was a global Career Development Plan process. Employees can refer to functional development frameworks to draft a customized plan that can be discussed with the supervisor or designated career advisor. The second was a redesigned online Performance Assessment

tool, resulting in a standardized process and form for all salaried employees. The global approach promotes written performance feedback for every employee on his/her service anniversary, improving dialogue between supervisors and employees on performance, relationships, and job execution. By year-end, nearly all of our full-time employees had received a performance review under this new system.



Nearly all of Fluor's full-time salaried employees have received a performance review under our redesigned online Performance Assessment tool.



improve communications skills among managers.

• Central to career development across Fluor is a comprehensive and coordinated program of regular communications. During 2009, each Fluor office worldwide designated a liaison to ensure that communications get properly disseminated so that the company's overarching strategy and supporting messages reach each employee. Through our Intranet, internal newsletters, and team meetings, employees remain engaged and informed. The company

- introduced a number of additional programs and tools in 2009 to increase leadership communication, to bolster managers' communications skills and to strengthen the cascade of information and news throughout Fluor.
- · Each of Fluor's business lines address cyclical market and economic conditions. To sustain our workforce, maximize talent, and meet project staffing needs, the company employs a variety of flexible staffing strategies that include local hiring, development assignments and the movement of people across business groups and/or functions. In 2009, some business groups faced staff reductions, while others needed to add resources. Leveraging employees' transferable skills, Fluor redeployed some people in this manner. For example, in 2009, employees were moved from different functions and business groups to the Government group to support contingency operations, and many were transferred from our Energy & Chemicals business group in Calgary to our Mining business in Canada and South America.
- Succession management at Fluor ensures the constant availability of pools of talent with the requisite abilities and experience needed to step up and successfully lead at higher, more responsible levels. Our approach consists of several interwoven and coordinated elements designed to identify individuals with high leadership potential for our succession talent pools and to provide support at each stage of their development. In addition to corporate-driven programs, Fluor business groups augment efforts to develop the next generation of leaders with locallyled initiatives that address specific business needs. For instance, in our Operations & Maintenance (O&M) business, 40 leaders in the Australia office participated in the Frontline Leadership Program, a two-day training event to achieve business goals by realizing the full potential of all team members. Also, 26 O&M leaders in Australia participated in an "Engaged and Enabled" pilot to focus more attention on engaging employees from a number of perspectives.

## Fluor University Helps Company to **Manage Its Carbon Footprint**

### hey say sustainability is a matter of continuous learning; and at Fluor, continuous learning is also a matter of sustainability.

In 2009, Fluor University – the company's primary source of information, education, and training programs – expanded remote learning technologies. As a result, the company's carbon footprint associated with travel to attend or deliver training was lower than in prior years, indicative of ways in which Fluor seeks to manage its emissions.

In all, 53 Fluor instructor-led courses and presentations were created or converted to custom online training modules, with an additional 33 scheduled for conversion to online access in 2010. Also, Fluor University expanded its capabilities to teach via video conferencing technology. This move toward a more sustainable approach to our business not only cuts costs associated with training, but it also helps Fluor decrease carbon emissions produced by attendance at training events.

#### For example:

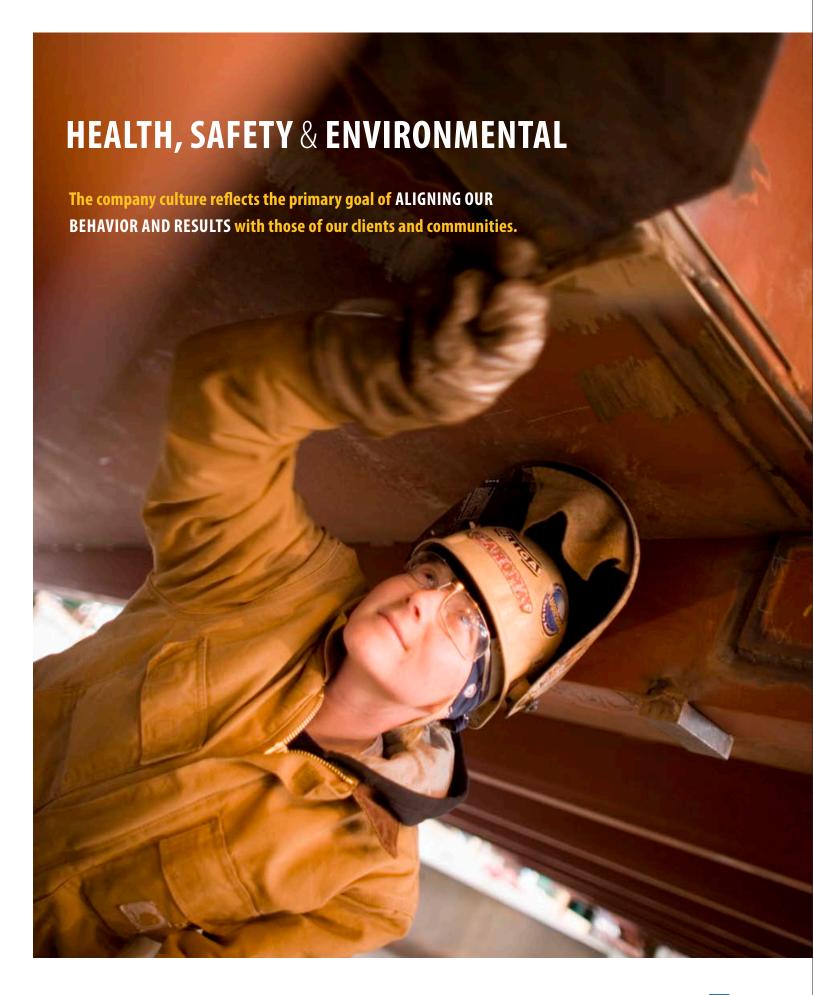
- A round trip flight for a Greenville instructor to teach a course in Houston emits more than 800 kilograms of carbon dioxide and creates up to five hours of lost productivity due to travel.
- · A round trip flight for a Houston instructor to teach a course in Manila emits 13,300 kilograms of carbon dioxide and creates up to 24 hours of lost productivity due to travel.

"The world is moving too quickly to require people to travel distances to access training and information," said Jennifer Large, Executive Director, Talent Development. "This company prides itself on a number of admirable qualities, with responsible sustainable behavior and the wise and efficient use of technology as two of the most important.

"Through the efforts in 2009 at Fluor University, we believe we have taken important strides along both of these fronts to improve productivity for our employees while helping to manage our carbon footprint at the same time."



Fluor's travel-related carbon footprint for employee training has been substantially reduced through remote learning technologies.



At Fluor, the health and safety of employees always comes first. This belief is the cornerstone of the company's culture. In addition, there is a deep respect for the environment. Since our business includes working alongside people

from client companies and subcontractors, Fluor takes steps to ensure that our approach to safety, health and environmental concerns aligns with other entities with whom we work.

During 2009, a record number of internal health, safety and environmental (HSE) communications and tools were prepared and distributed to Fluor employees. The purpose of the communications was twofold: to ensure employee understanding of, and engagement in, the critical issues of HSE, and to ensure HSE remains a vital aspect of the culture in Fluor's offices and at Fluor project sites.

Corporate-sponsored HSE training and education events surpassed 2008 results with 3,675 participants trained at 146 training events through face-to-face, virtual, and webinar delivery methods. Highlights include:

- A new HSE Honors program that grants participants Certified Safety Leader (CSL) certification upon completion.
- · Project Management HSE Leadership Training for 700 Energy & Chemicals project managers and other personnel over a three-month period.
- Piloting "Delivering Success on a MEGA-Project" to 30 global senior level HSE managers.
- · Hosting a virtual global workshop for more than two dozen HSE engineering, facilities, and field personnel in 14 locations addressing intellectual property, proposal support, client reviews, project close-outs, cross-training, data transfer from engineering to field and operations,

and the use of investigation results to affect design changes.

#### **HEALTH**

Fluor took decisive steps early to address the potential H1N1 virus issue by establishing an interdisciplinary task force to advise senior management and to develop guidelines to manage the pandemic. This task force oversaw distribution of 300,000 pandemic supply packets to Fluor sites globally, addressed travel restrictions, directed restrictions concerning employees at Fluor facilities and project sites, offered information to families on H1N1 prevention and treatment, created and conducted training for supervisors, and mandated the use of local business continuity plans. "Pandemic managers" were appointed at every project, office and business group. Ongoing monitoring at both the global and local levels remains in place, while a dedicated H1N1 internal information site exists to educate and update employees.

Steps taken in determining a global enterprise-wide consistent set of policies and procedures for the H1N1 situation greatly increased Fluor's overall preparedness to address any pandemic conditions that may arise in the future.

#### **SAFETY REMAINS A PRIORITY**

Fluor has sustained its level of safety performance in 2009, achieving positive results again across key safety measurements.

> "Fluor takes steps to ensure that our approach aligns with others with whom we work."

Fluor office and field performance (per 200,000 hours worked) for Self-Perform and Subcontractors yielded these results in 2009:

- Restricted workday case incidence rate (Days Restricted or Transfer): 0.05
- Lost workday case incidence rate (Days Away from Work): 0.02
  - Total recordable case incidence rate: 0.23

In 2009, total hours decreased from 371 million to 263 million. Fluor offices globally experienced one restricted workday case and zero lost workday cases for 36 million hours worked. Exposure hours for self-perform field operations and subcontractors combined was 220 million.

#### Close Attention to Leading Indicators Prevents Future Issues

Fluor's proprietary Managing Safety to Zero (MS<sub>2</sub>0<sup>SM</sup>) program tracks leading and trailing indicators in real time, with the intent of proactively improving working conditions and reducing incidents.

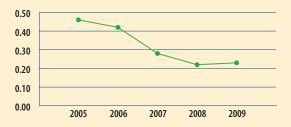
#### **Lost Workday Case Incidence Rates**

Office and Field Operations (Self-perform and Subcontractors Combined)



#### **Total Recordable Case Incidence Rates**

Office and Field Operations (Self-perform and Subcontractors Combined)





Proper use of safety equipment reduces case incidence rates.

In 2009, MS<sub>2</sub>0 was successfully used on 30 projects globally to include grassroots and evergreen type projects. In addition, several of Fluor's clients adopted MS<sub>2</sub>0 and are now using the program to monitor their own contractors outside of Fluor's scope of work.

Overall MS<sub>2</sub>0 performance was solid, with improvements in management-attended walkabouts, self-assessments, and training. Safety Task Assignments, hazard elimination, adopt-a-crew, and near-miss reporting are improvement areas for 2010.

#### **Industry Leadership**

Fluor has collaborative partnerships with a number of industry research and informational organizations related to safety. The Center for Chemical Process Safety (part of the American Institute of Chemical Engineers) conducts research projects related to industry safety, and Fluor as a member company has committed resources in support of those programs.

On the educational front, Fluor actively supports the National Safety Council in its efforts to develop and promote safety programs for employees and subcontractors.

In 2009, Fluor announced its support to accelerate progress of the Industrial Safety Research Laboratory housed in Louisiana State University's (LSU)



Construction Management and Industrial Engineering (CMIE) Department. Fluor's involvement will help the CMIE Department enhance its industrial safety program by integrating safety management, fire protection, risk assessment, conservation of resources, sustainability, and field/site engineering and construction. In recognition of the value of Fluor's involvement, LSU renamed a building after Fluor. With Louisiana and the Gulf Coast region serving as the

83 424



A workforce monitored by Fluor's proprietary MS<sub>2</sub>0 program has resulted in a solid record that keeps safety at the forefront.

geographic focal points for much of the United States' oil and gas industry, and with global demand increasing, Fluor's support addresses the need for a qualified, highly trained and safety-minded workforce. The objective remains building an industrial safety program into a premier venue for conducting health, safety and environmental research and to impart crucial safety values to engineering students. Fluor's involvement follows the 2008 decision by the Fluor Foundation to pledge \$50,000 over four years to bolster industrial safety education at LSU's College of Engineering.

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#### **ENVIRONMENTAL**

#### **Corporate Carbon Footprint**

258 218

Fluor implemented a global carbon footprint initiative in 2006, establishing a baseline set of measurements. (Additional background on this program and an explanation of methodology can be found in the GRI Content Index, EN16, on page 74.)

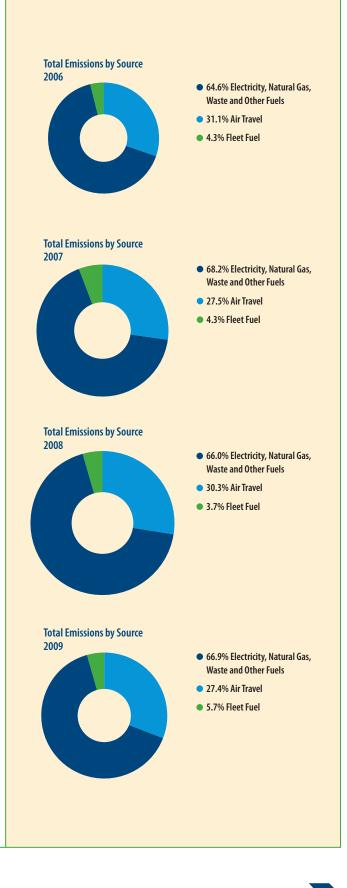
In 2009, the results of four years of data collection and analysis related to Fluor's carbon emissions by Scope 1, 2 and 3 categories were reported. As part of Fluor's ongoing program to measure, monitor and manage our carbon footprint at our facilities, the annual reporting

process provides valuable information to aid in effectively managing our facilities in an environmentally responsible manner.

From 2006 through 2008, Fluor experienced substantial global growth in all of its business lines. One of the results of this expansion cycle was the increase in our carbon footprint successively from 2006 to 2007 to 2008. The worldwide growth is in part evidenced by increases in office square footage and number of employees. Concurrently, corporate greenhouse gas emissions increased, while the relative percentages of emissions categories remained well balanced yearover-year.

With the global business downturn in 2009, Fluor reduced office space, personnel, and air travel. As a result of this challenged business environment and the smaller operational footprint for Fluor, the 2009 carbon footprint is also smaller than those in 2007 and 2008. It is important to note that the relative percentage of greenhouse gas emissions categories continues to remain balanced for the company, despite the growth and contraction cycle we have recently experienced.

Through Fluor's annual collection and analysis of global carbon emissions information, the Carbon Footprint Team strives to make the data collection process more user-friendly, and focused on efficient, accurate reporting. Evidence of the improved internal data collection worksheet can be found in the progressive reduction in proxy data for the company's total greenhouse gas emissions. Proxy data constituted greater than 10 percent of the footprint results in 2006 and has improved to less than 0.5 percent in 2009. After four years of working with the carbon footprint initiative, Fluor's global facility managers are supportive and knowledgeable about the annual data collection process, as well as the need to provide accurate data to the greatest extent possible.





Fluor's efforts to increase energy efficiency and conservation at facilities around the globe have had a significant impact on the company's carbon footprint.

During 2009, in recognition of the value placed on disclosing our activities to investors and other constituents, Fluor began participation in the Carbon Disclosure Project (CDP), and made our initial disclosure of 2008 data under the category of "Information," or "IN." We plan to participate in the CDP for the 2009 reporting period, providing similar information.

#### **Environmental Performance**

For the fifth consecutive year since Fluor began tracking these data in 2004, the company received no Notices of Violation for environmental issues and no resulting monetary or other sanctions for non-compliance.

#### **ENERGY EFFICIENCY & CONSERVATION**

From 2006 through 2009, global energy efficiency activities helped Fluor manage the amount of carbon dioxide equivalent (CO2e), or carbon emissions, from its facilities. Voluntary office programs worldwide contribute significant value to the company. Numerous and diverse successful energy efficiency and green initiatives at Fluor are aimed at providing cost-effective solutions for our facilities.

With more than 7.4 million square feet of office space in Fluor's facilities, reducing the financial risk associated with rising energy costs, while simultaneously better managing our greenhouse emissions, is critical to longterm sustainability.

All Fluor facilities take steps to manage energy efficiency. This focus is embedded in the company culture and reflects the primary goal of aligning our behavior and results with those of our clients and communities. In 2009, the company established a set of Energy Efficiency and Conservation Guidelines to serve as a single source for facility renovations and recommendations. These guidelines help to develop standard specifications, take advantage of discounts through Fluor's supplier agreements, and identify energy efficient equipment and materials for items from lighting to transformers to building automation systems to chillers.

As a result of Fluor's voluntary green initiatives activities in 2009, the company reduced its energy consumption by more than 8.4 million kilowatt-hours, while managing 7.4 million square feet of office space in 27 countries. Reductions occurred through energy efficient lighting (exterior and interior); Heating, Ventilating, and Air Conditioning (HVAC) system replacements and improvements; computer electricity management systems; energy efficient appliances; work process changes; energy efficient "white" roofing; and replacing existing lighting with energy-efficient electronic ballasts and lamps.

Additional electricity management initiatives included enhancing employee energy use awareness; using more multi-purpose energy efficient copiers and "sleep mode" settings; installing lighting motion sensors; mandatory switching off of computers and other technology at the end of the day in some offices; installation of window blinds to reduce solar heating impact; consolidation of server and data rooms, including removal of excess data cabling under the floors to allow greater air flow; and consolidation and reconfiguration of servers to improve HVAC and energy efficiency.

In Southern California, Fluor implemented a highly successful daytime cleaning program. This work process change, begun in 2009, saved more than 777,000 kilowatt-hours of electricity and reduced the cost of cleaning by more than \$60,000 annually. Daytime cleaning provides the same level of service, while simultaneously avoiding both additional

electricity use at night for the cleaning crews, and overtime pay for the outside cleaning company.

#### Recycling

Virtually all Fluor offices have active, ongoing recycling programs, and many of the offices contribute recycled materials to their communities. The results are substantial. In excess of 2.4 million pounds of assorted bulk materials were recycled, such as aluminum cans, batteries, paper and cardboard, computers, concrete, electronic waste, filters, glass bottles, iron/steel, light bulbs, tires, and toner/ink cartridges. Paint, cooking and motor oils collectively accounted for 50,400 gallons of recycled liquids.

#### **Conservation and Avoidance Initiatives**

Conservation and landfill avoidance activities are also part of Fluor's global initiatives. During 2009, a new

More than 1.7 million pounds of paper were recycled at offices worldwide in 2009. The positive impact on the environment can be demonstrated as follows:









Recycling 1 Ton of Paper Saves:		Recycling 896 Tons of Paper at Fluor Saved:
3,700 pounds of lumber	>	3.3 million pounds of lumber
24,000 gallons of water	>	21.5 million gallons of water
17 trees (35' tall)	>	15,232 trees (35' tall)
4,100 KW of energy	>	3.67 MW energy (enough to power 448 average U.S. homes for a year)
3.2 cubic yards of landfill space	>	2,867 cubic yards of landfill space

(Sources: TechSoup and Recycling Services)

global duplex printing initiative conserved in excess of 3.2 million sheets of paper, without compromising the efficiency or accuracy of our work flow. Considering that one box of paper has 5,000 sheets and that a single tree on average produces 12,500 sheets of paper, Fluor conserved approximately 620 boxes of paper in 2009 through its duplex printing activities. This is equivalent to saving more than 260 trees.

#### Water

Water conservation exceeded 835,000 gallons through deployment of low flush valves, automatic faucet sensors, waterless and/or low flow urinals, and reclamation of grey water for irrigation. In our Greenville, South Carolina office, more than 375,000 gallons of water were saved through recently installed motion sensor water faucets.

#### Fleet

Transportation initiatives included employee commuter shuttles serving offices in Australia, China, Mexico, Trinidad, Houston, and Virginia. Onsite energy-efficient vehicles are used for campus maintenance, deliveries and security at all major U.S. offices as well as those in Calgary, Canada; Melbourne, Australia; Trinidad; Camberley, United Kingdom; Moscow and South Africa. In addition, new energy-efficient vehicles including electric and hybrid models as well as lighter/smaller vehicles aimed at decreasing fuel usage have been deployed globally in locations such as Gliwice, Poland; Greenville, South Carolina; Camberley, United Kingdom; and The Netherlands. Bicycling programs are supported by several offices, including Greenville, South Carolina, where the office was named "Bronze Bicycle Friendly Business" by the League of American Bicyclists.

Additional energy conservation, efficiency improvement and recycling activities are detailed in the GRI Content Index, Criteria EN5, pages 72-73.

#### **Efficiencies Yield Client Cost Savings**

Fluor is actively engaged in the U.S. Green Building



Habitat replenishment was achieved by planting more than 3,000 trees in several countries, with Fluor employee volunteers providing assistance.

Council's Leadership in Energy and Environmental Design (LEED®). During the year, a number of Fluor employees earned their LEED-accredited professional (AP) distinction, to bring the total number of LEED APs to more than 40. These LEED APs help enhance Fluor's standing with clients who are looking to engineering and construction companies to help identify, implement, design and build LEED standards into their facilities to lower costs, improve energy efficiency, and operate in a more sustainable manner.

#### **SIGNIFICANT HSE AWARDS & CERTIFICATIONS**

• Fluor was named the "Best Clean Energy Company of the Year" by London-based The New Economy magazine, which cited our ongoing leadership within the engineering and construction industry, our innovations in driving down emissions in the oil and gas and power sectors, and our remarkable growth in renewable and clean energy markets such as polysilicon, wind, nuclear and others.

- The RasGas Common Offplots Project in Qatar won the Construction Industry Safety Excellence Award. This award is sponsored by the Construction Users Round Table and recognizes commendable safety management and improvements of owners, constructors, and local user councils.
- · In Puerto Rico, Fluor received its third Award for Excellence in Safety from the Puerto Rico Manufacturing Association. This award is granted to companies earning five consecutive Distinguished Safety Performance Awards. Fluor has achieved this level of excellence for 15 consecutive years.
- The REC Photovoltaic Cell and Wafer Project, Singapore, was awarded the Building Construction Authority (BCA) Green Mark, a rating system used to evaluate a building for its environmental impact and performance in Singapore.
- · Fluor Limited, the United Kingdom operating arm of Fluor Corporation, earned the eminent Royal Society for the Prevention of Accidents Order of Distinction presented to companies maintaining high standards of safety.
- Global Services' Integrated Services business line won 14 Contractor Awards for Meritorious Safety Performance presented recently by the National Petrochemical and Refiners Association.
- The Minnesota TH212 team won the Design-Build Institute of America Award (DBIA) Upper Midwest Region's Best Project - Civil Infrastructure of Over \$50 Million Award for success in implementing designbuild best practices.
- AMECO, Fluor's integrated equipment and tool solutions company, received the National Safety Council's Industry Leader Award for achieving the best safety performance within the construction, mining, forestry machinery, and equipment leasing and rental category.



Fluor was honored with awards that cited ongoing leadership within the engineering and construction industry as well as excellence in safety standards and performance.

## The Fluor Sustainability Manual

ne of the most significant events in 2009 related to the company's sustainability program occurred with publication of the Fluor Sustainability Manual.

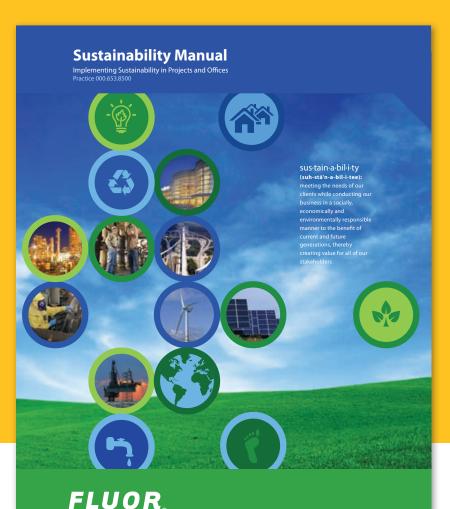
The Health, Safety & Environmental (HSE) group led a cross-functional assembly of Fluor disciplines to develop this important guide. The Sustainability Manual was designed to facilitate the global implementation of sustainable practices in home offices and on project locations, thereby providing environmental, economic, and social benefits to Fluor and its clients.

As described in the manual, the main objectives are to assist employees in practicing sustainability and to reinforce the concept that there are always opportunities to act in a more sustainable manner.

A "Triple Bottom Line" approach conveys how various corporate objectives like economic growth, social progress, and environmental stewardship overlap and support each other, with sustainability at the heart of them all.

The manual shows how sustainability touches numerous disciplines practiced across Fluor and how sustainability can be practiced more routinely and consistently as part of daily operations.

One of the differentiating elements of the Fluor Sustainability Manual is the Quick Start Guide, a comprehensive yet flexible and easy-to-use eight-step process that guides all work groups, whether within Fluor facilities or at project sites, on how to implement sustainability elements into their operations. Fluor compiled hundreds of initiatives and categorized them to achieve alignment with this process – another differentiating element and a step believed to



have taken a commitment to sustainability to a new level in the engineering and construction industry.

"Sustainability must be integrated into projects and practices, rather than be seen as a separate and unconnected program, in order to achieve the optimal benefit to all stakeholders," offered Nancy Kralik, Director, HSE Engineering & Sustainability. "This holistic life cycle approach is the ultimate goal."



At office and project locations around the world, Fluor invests in and aligns with our communities because we are a citizen of those communities - sharing concerns for economic vitality, healthy and safe business activities, and a vibrant, ever-improving quality

This is our culture, our obligation, and our history. We plan for community investment at both permanent office locations and project sites. Since its inception, Fluor has invested philanthropic funding to community organizations and education. That comprehensive and high-impact legacy continued in 2009.

of life for individuals and families.

#### **GLOBAL PHILANTHROPY**

In 2009, Fluor Corporation and the Fluor Foundation contributed \$6.5 million to community organizations, educational initiatives, and programs in 17 countries. While programs are determined locally based on community need, in 2009 Fluor supported non-governmental organizations focusing on education, human service needs and youth development.

#### **SUPPORTING EDUCATION**

#### College Relations and Scholarship Programs

Fluor contributes to numerous universities and scholarship programs. Grants totaling more than \$1 million toward engineering and construction programs and scholarships were split among 33 universities in Canada, Chile, The Netherlands, The Philippines, Poland, South Africa, Spain and the United States. Grants supported such initiatives as the Clemson University Women in Engineering Program, the University of Witwatersrand new engineering facility and the University of British Columbia Hydrometallurgy Chair.

The Fluor Job Corps Scholarship Program awarded 16 \$5,000 college scholarships to students at Job Corps Centers that are operated by DEL-JEN, Inc., a Fluor subsidiary. The Fluor Scholarship Program for Employees' Children awarded scholarships to 290 students in 2009, assisting students in 17 countries.

#### Supporting K-12 Education

With an interest in advancing science, math, engineering and technology at the pre-university level, Fluor supported selected programs such as the Mind Institute math teaching initiative, National Engineers Week, Raymond Academy of Engineering after school programs, Detroit Science Center Future Fuels exhibit, and the Foundation for Teaching Economics to support the Institute on the Environment and the Economy teacher training program.

#### Partnering with Employees

Through the Matching Gifts to Education Program, employees worldwide contributed \$380,000 to 229 elementary/secondary schools and universities in 2009. With the Foundation matching contribution added, donations totaled \$660,000. The program was expanded in 2009 to include donations to K-12 schools emphasizing our interest to support education at the elementary/secondary level.

> "Since its inception, Fluor has invested philanthropic funding to community organizations and education."



With involvement of employees, Fluor's giving initiatives have improved living conditions for children in China and around the world.

#### FLUOR MILITARY SUPPORT COALITION INITIATIVE

The Fluor Military Support Coalition (FMSC), established in 2007, funds organizations that support the needs of U.S. military personnel and their families. In 2009, the FMSC focused on directing support to sustainable, long-term programs and involving Fluor volunteers. Some of the activities included the Angel on a Leash dog therapy program, Homes for our Troops build brigade, Marine Corps Scholarship Foundation's scholarships for children, National Military Family Association's military spouse scholarship program, and Snowball Express programs for children of deceased service members.

#### **GLOBAL EMPLOYEE GIVING**

During the 2009/2010 United Way campaign, employees in Canada, The Philippines, Trinidad and the U.S. pledged more than \$2.74 million. With a 50 percent Fluor Foundation matching contribution added, donations totaled \$4.35 million. Included in this total was \$163,000 granted by the Fluor Foundation to nine local United Way organizations in South Carolina and Georgia in support of the Savannah River Nuclear Solutions project campaign.

Fluor's China office held a successful Charity Party in 2009 and collected \$8,000 for Dongzhou Children's Village in Xi'An, Shanxi Province, to help build a water

tower, which has since been built and improved the living conditions for children in the village by providing fresh water throughout the facility.

#### **GLOBAL EMPLOYEE VOLUNTEER SERVICE**

Since 1976, Fluor employees have partnered with local organizations and volunteered their time. In 2009, the value of volunteer time towards community service projects benefiting organizations and schools totaled more than \$840,000. A sampling of employee volunteer projects included the planting of 100 trees in the Singapore National Park to aid reforestation; supporting a wildlife preservation project in Spain protecting carrion-eating birds; teaching English at migrant schools in China; hosting a World Skills day in Canada introducing construction trades to youth; and organizing golf tournaments that raised \$200,000 for the Boys Home of the South in South Carolina and \$70,000 for a Fort Bend Promise homeless shelter in Texas.

#### **Engineers Week**

Fluor has participated in National Engineers Week in locations worldwide for more than 40 years, actively reaching out to future engineers about this dynamic profession and the multitude of ways engineers help shape our world and create a better tomorrow. In 2009, Fluor had nearly 1,000 engineers volunteer at local K-12 schools to promote how math and science are used in everyday life.

## Portsmouth Community Needs Assessment

■hen Fluor expresses interest in a project anywhere in the world, our involvement in understanding and advancing the quality of life in local communities begins long before we are awarded the contract. That is why we can say with confidence that while Fluor employees build some of the world's greatest industrial projects, we spend a corresponding amount of time, energy, and resources addressing relevant sustainability issues for people in the communities around those projects.

"We are dedicated to building strong communities and respecting the interests of all those impacted by our operations and activities," says Dennis Nixon, an 18-year Fluor veteran who serves as project director of Business Development. "A commitment to sustainable business practices is embedded into every Fluor project plan."

Nixon leads Fluor's pursuit of the U.S. Department of Energy's (DOE) Portsmouth Gaseous Diffusion Plant decontamination and decommissioning project in Piketon, Ohio. Fluor began developing a comprehensive Community Commitment Plan (CCP) two years prior to the government issuing its request for contractor proposals.

"In addition to meeting all technical requirements of a project, we work to win the hearts and minds of the community," continued Nixon. Fluor's Portsmouth team began by engaging business owners, site contractors, legislators, regulators and union representatives to determine the areas of greatest need.

"The area surrounding the Portsmouth project has a high level of poverty and a severe unemployment rate of 16.7 percent, so focusing on ways to improve the socio-economic health of the community is critical," explains Nixon. "Based on client and stakeholder input, we designed a four-pronged CCP to stimulate economic development, support community needs, revitalize reindustrialization of the region and create sustainable job opportunities after our work on the project is finished."

Working closely with the Fluor Foundation, the company's Government Affairs group, and project partners to determine the right mix of initiatives, the Portsmouth CCP supports the region's primary need for new business and job creation. Fluor will invest its corporate resources and charitable funding to support high-impact projects, which offer appreciable benefits to the region.

"We never lose sight of the importance of our company's social, economic and environmental stewardship. We know our business thrives when the communities in which we work likewise thrive," Nixon concludes. "In a region like Piketon, even the smallest efforts and contributions can have a huge impact in the community."



"Our company has always been passionate about doing the right thing, supporting community growth and leaving the places where we work in a better condition than when we began." - Dennis Nixon



Fluor employees provided backpacks filled with school supplies to students.

#### **Building Futures**

This Fluor annual global volunteer project, now in its ninth year, positively impacts young lives. Supporting children's educational pursuits, employees assisted with facility renovations and educational initiatives. In 2009, the combined efforts of employees in 33 locations collectively touched the lives of more than 10,000 children around the world.

#### **DISASTER RELIEF**

Although the spirit of giving and helping is a part of the Fluor culture, it is during the times of greatest need when our employees rise to the challenge. In 2009, Fluor and our employees came together to contribute more than \$135,000 for disaster relief following typhoons in The Philippines and tornadoes in the United States.

#### **LOCAL SUPPLIER DIVERSITY EMPHASIZED**

Fluor's procurement experts look for innovative approaches to secure goods and services within geographical locations where projects are executed. Actively pursuing localized sourcing for goods and services is an area of focus on all Fluor projects. Local suppliers primarily provide support through ancillary businesses for goods and services as major equipment needs are often met through a limited number of specialized producers.

With Fluor's annual global spending for goods and services reaching almost \$10.2 billion (more than \$39 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 volume also allows us to work with our suppliers on the fulfillment of their social, legal and ethical responsibilities.

Our proprietary supplier tracking tool, Supplier and Contractor Online Registry E-version (SCORE!SM), maintains supplier and contractor information for Fluor. To support supplier sustainability, Fluor works to extend growth opportunities through the U.S. Supplier Diversity Program, which helped us achieve a 2009 spend level in excess of \$633 million with small, minority and woman-owned businesses, or approximately 14 percent of the \$4.3 billion spent with U.S.-based suppliers and contractors. By using these businesses, Fluor creates employment opportunities for many in the local communities.

What's more, 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 2009, Fluor supported regional councils of both organizations to help small, diverse and woman-owned business enterprises grow.

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 (Texas) 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.

#### **LOCAL PROGRAMS BENEFIT COMMUNITIES AND** THE ENVIRONMENT

Fluor engages in local programs that serve the dual function of benefiting the environment while improving the communities in which we work. Fluor's facility managers, along with colleagues from all disciplines across the company, are engaged in grassroots voluntary green community activities that bring funds, supplies, nature and well-being to scores of communities globally. Some specific examples include:

- · Construction materials, furniture, copiers and office supplies donated to Hogar Sol Naciente Women and Children's Shelter in Buenos Aires, Argentina, along with safety training provided to the facility and its employees.
- Participating in cellular phone recycling programs in Mexico City, Mexico, and Melbourne, Australia, with proceeds going to local zoological societies to support gorilla habitats. Aggressive mining for coltan, a metal

contained in cellular phones, has negatively impacted gorilla habitats. The recycling programs serve the dual purpose of providing funding to support gorillas in captivity, while helping to manage the depletion profile of coltan, thereby sustaining natural habitats for wild gorillas.

- Binders, folders and miscellaneous office supplies donated to American Opportunity Foundation, Santa Ana Unified School District, Los Amigos High School, and Westminster High School, in Southern California.
- · Used paper, newspapers, computers and carpet tiles donated to Literacy India, Khushboo Welfare Society, and Valaya Magic Foundation in India.
- Carpet tiles, ceiling boards, and desktop computers donated to Bukid Kabataan Anawim Home for the Aged, The Philippines Jesuits Prison Service, Pedro E. Diaz High School, and Muntinlupa City Hall in The Philippines.

During 2009, Fluor employees spoke at more than 70 public venues on various topics related to sustainability ranging from implementing sustainability in design and construction, to the benefits of sustainability in environmental case studies.

For additional information on Fluor's Community & Social Service activities and contributions, see the GRI Content Index, EC1, on pages 81-83.



Fluor is participating in cellular phone recycling programs in Mexico and Australia.



## **Building Homes of Hope** Worldwide

he problem of affordable housing is global and rampant. According to Habitat for Humanity®, nearly 2 billion people around the world live in slum housing and more than 100 million are homeless. However, problems can become opportunities when the right people come together, and that's why Fluor employees have stepped up to create new hope for hundreds of families through its community build volunteer projects. The company is dedicated to sustaining its legacy of giving back and creating dignity for those less fortunate by building quality housing to transform poverty-stricken areas, giving them a fresh start to improve their quality of life.

Starting in South Carolina, Fluor celebrated its 15-year home-building partnership with Habitat for Humanity in 2009, as well as repaired and restored the structures and grounds of the Boys Home of the South. These projects have given children safer places to live and are helping to break the poverty cycle one family at a time. Further west, employees across Texas spent their weekends last year participating in several community build projects, benefiting families in both Rosenberg and Dallas. In Southern California, volunteers helped Habitat for Humanity build the first phase of 27 homes, in part benefiting military families that are making great sacrifices to support their country. Employees in Vancouver spent a day supporting a local Habitat build site, assisting in the construction of a 27-unit townhouse complex.

Overseas, Fluor employees spent a week in the Sichuan Province of central China, building company-sponsored homes for victims of the massive 7.9-magnitude earthquake that killed more than 69,000 people and destroyed millions of homes. These new homes incorporate safety features to help them withstand future earthquakes. In other locations, the company participated in World Habitat Day in Poland and financially supported the "Roof Over Chile" Project. By combining the thousands of volunteer hours with generous financial support from the Fluor Foundation, the company is making a significant impact, creating a promising future for families around the world.

This is most evident when you see the smiles of a family receiving a home. For the past several years, Fluor volunteers in The Philippines have been dedicated to supporting the country's Gawad Kalinga (meaning "to give care") Project,

which aims to build 700,000 homes in 7,000 communities in seven years for the poor nationwide. At the Sta Rita community, Recto Laynes speaks about how Fluor's work has changed his entire family's life. "Our old house was more a shanty, not a sturdy structure in any way. When it rained, there was sure to be a leak, and coupled with wind, we just waited for the roof to blow away. It was a mess for a long time after a typhoon, a yearly challenge for this neighborhood. But today, my wife, six kids and I can finally sleep soundly at night and feel confident that we are safe and secure, not to mention dry. We now have electricity, water and sanitation in the house."

Laynes continues, "Fluor employees were here most weekends for almost four months last year. We were touched knowing they contributed their own monies to support this project and performed hard labor to benefit us. Seeing young, sweaty faces and arms working to build our home was heartwarming. We are forever thankful to them."

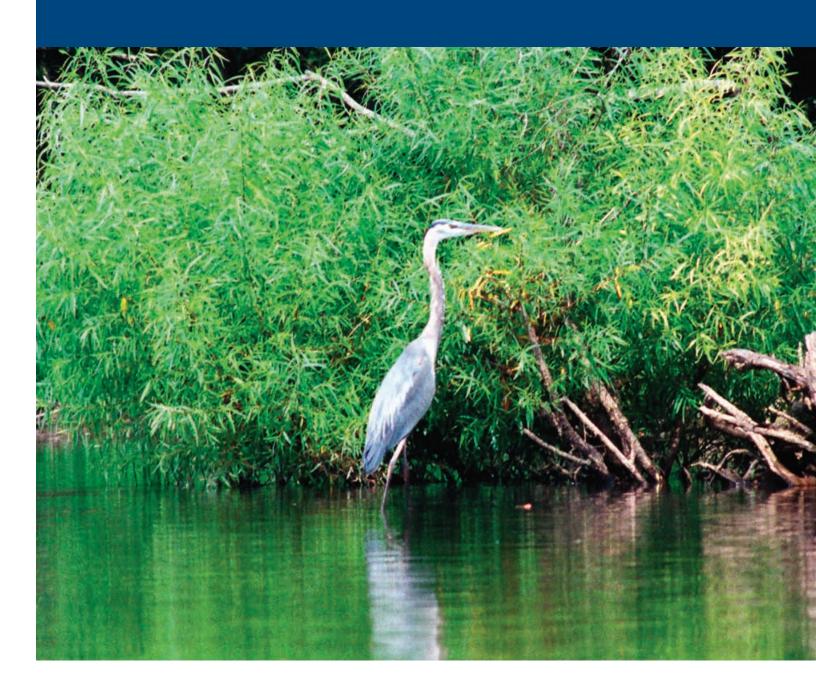
Finishing with tears in his eyes, Laynes says, "Once considered a slum, Sta Rita is slowly transforming into a safe and beautiful community. The blessings we have now, we wish for our friends. We hope Fluor will continue to build homes here."



Fluor celebrated 15 years of creating hope for hundreds of families through community build volunteer projects in partnership with Habitat for Humanity.

# **PROJECT FEATURES:**

Sustainability Means Interdependence



## For systems, societies, economies, and environments to remain viable, healthy and vibrant for the long-term, EACH MUST RELY ON AND SUPPORT THE OTHERS.

In adopting sustainability as a goal, Fluor uses a model known as the "Triple Bottom Line." This model incorporates all social, economic, and environmental elements affecting Fluor stakeholders, including:

- Social (Progress) health, safety, education, democracy, housing, crime prevention, leisure, diversity and inclusion, human rights, labor standards, community impact and interaction, and working conditions.
- Economic (Growth) wages, employment, trade, investment, business practices, innovation, revenues, earnings, and shareholder return.
- · Environmental (Stewardship) efficient use and reuse of natural resources, recycling, air/water/soil quality, protection of wildlife habitats, emissions reduction, regulatory compliance, and biodiversity.

As our global clients continue to confront these issues, Fluor continuously responds by applying our technical skills to help our clients operate in more sustainable ways.

This section of our 2009 Sustainability Report features two case studies - the Savannah River Site project in South Carolina and the Fénix project in Mexico - where Fluor's presence and expertise continue to make a positive difference across the interdependent areas of social, economic, and environmental activity.

## **PROJECT FEATURE: SAVANNAH RIVER NUCLEAR SOLUTIONS LLC SOUTH CAROLINA**

The mission?

Oversee a project site the size of New York City and contain material and waste from Cold War-era nuclear research and production, achieve the safe and efficient cleanup of the majority of this area, and prepare it for new missions while spurring economic development and creating 3,000 jobs. Oh, and you'll be reporting to the U.S. federal government, which expects all of this to be completed within budget and by the September 2011 completion date.

Mission impossible? Not even close. Truth is, the mission of South Carolina-based Savannah River Nuclear Solutions (SRNS) – to complete the massive cleanup of legacy projects begun in the 1950s as part of the United States' efforts to stave off the Soviet Union's nuclear arms progress during the Cold War - is well on its way to a successful outcome on all counts.

Fluor serves as lead contractor of SRNS, working alongside partners Northrop Grumman and Honeywell. The 310-square mile Savannah River Site is owned by the U.S. Department of Energy (DOE).



A "Road to Recovery" tour visited rural communities to help people develop resumes and hone their job-hunting skills.

#### Comprehensive Environmental Program Pursued

Sustainability efforts in support of environmental stewardship include eliminating these legacy wastes and antiquated nuclear production facilities to free more than 50 percent of the operational footprint for new missions. This will reduce the site's environmental legacy footprint by 155 square miles, or more than three times the area of Washington, D.C.

"The culture of Fluor dovetails with that of the U.S. Department of Energy when it comes to applying best engineering practices in the cause of environmental improvements," noted Garry Flowers, SRNS President and Chief Executive Officer. "We truly see this as the perfect blend of talent and mission. There are a lot of innovative ideas being put to work here with the national laboratory and with our projects and operations."

To place the enormous environmental cleanup efforts into context, consider these metrics:

- 5,000 cubic meters of radioactive waste will be removed, enough to fill nearly 450 dump trucks.
- 69 waste units will be remediated, covering the size of 630 football fields, or 43 square miles.
- Two plutonium production reactors and one heavy water components test reactor will be closed permanently, requiring enough cement to fill four Home Depot stores to the ceiling.

The same engineering know-how required to build structures and facilities must be called upon to remediate, remove, and restore sites once those structures and facilities have run their course - making Fluor a highly valued resource onsite.

In addition to the tasks cited above, Fluor engineers have worked to improve the environmental performance across all parts of SRNS. In renewable energy, for instance, Fluor has helped the site convert its power generation to a system using more biomass than coal as fuel. With the abundance of pine forests in the South Carolina/Georgia region, much of the bark and root systems traditionally were treated as waste. Now, as biomass, those indigenous materials are burned at a lower emission rate than coal at SRNS to produce steam and electricity from the site's cogeneration plant.

Overall waste minimization, using a broad-based approach, yielded \$25 million in savings in 2009 alone.

Through longstanding water conservation efforts, SRNS has reduced its water consumption by 37 percent over the past five years. The site's storm water management program has been recognized by the DOE as best-in-class, and the wastewater management program has seen the successful construction of a wetlands onsite that not only

channels wastewater efficiently but also provides a new habitat for wildlife.

Close to 95 percent of the 200 light-duty vehicles used across SRNS run on efficient E-85 ethanol content fuel, reducing carbon emissions. And an aggressive reuse and recycle program for paper, glass, aluminum, and chemicals at SRNS continues to lower disposal costs and increase operational efficiency.

#### Socio-Economic Initiatives Just as Important

Yet while Fluor's role in meeting the environmental aspect of SRNS's sustainability picture has been progressing successfully to date, the social and economic elements have demanded just as focused and diligent a commitment - and have seen similarly positive results.

"The American Recovery and Reinvestment Act allocated \$1.4 billion of taxpayer dollars to SRNS for jobs creation, various site improvements, and economic development in the region surrounding the project," Flowers explained. "The public holds great hope for growth from this investment, and Fluor has been instrumental in meeting those expectations. In other words, our goal is for the impact to extend well beyond any short-term activity - to generate truly sustainable positive economic outcomes."

In 2009, \$108 million of the Recovery Act funds were dedicated to economic development efforts in the communities around SRNS. Because of the local demographic makeup, where home computers and easy Internet access are not the norm, announcements about available jobs and a series of job fairs were advertised in traditional media, store posters, and church bulletins. Response was overwhelming, with 13,000 applicants showing up for 3,000 available jobs at SRNS.

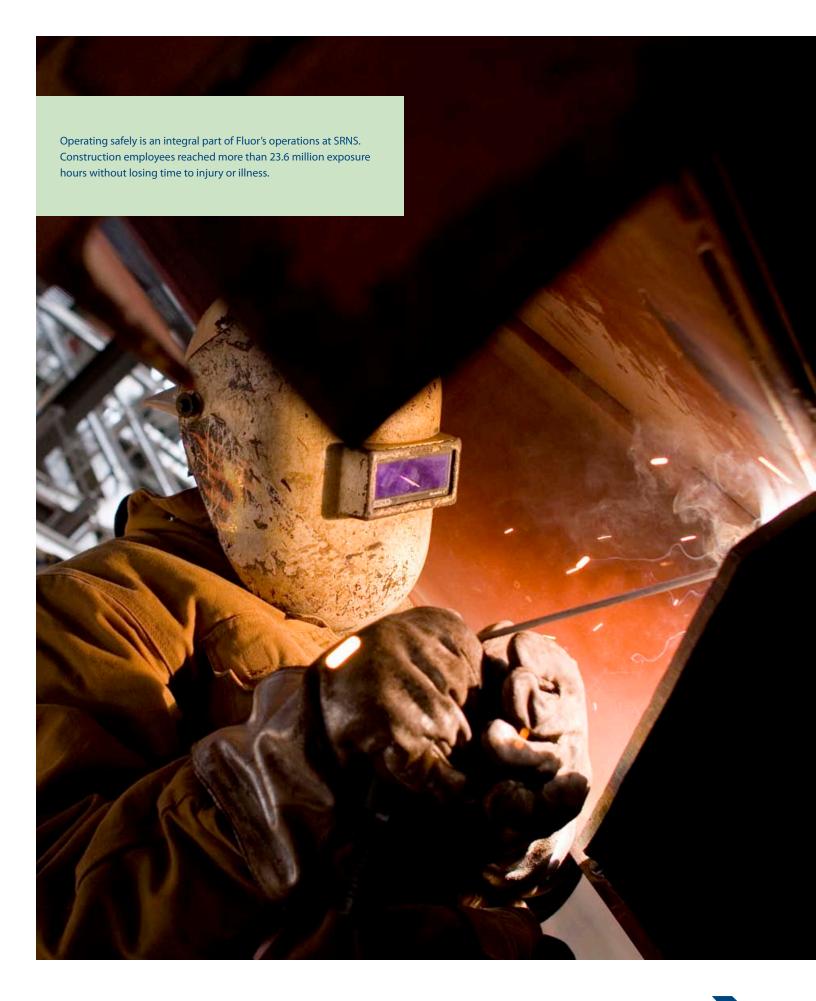
Approximately 80 percent of the eventual hires were made among the local population, creating a huge

economic impact. Those new hires entered jobs in technology, engineering, planning, waste operations, radiation surveys, and many more opportunities at the site, working alongside and in support of Fluor professionals.

The fall season hosted a "Road to Recovery" tour – a specially equipped van with computers and job-hunting literature, staffed by seven professionals, and funded through the Recovery Act – which visited 37 small regional communities hardest hit by the recession. Road to Recovery traveled 6,100 miles and helped 1,406 people develop their resumes and become familiar with job-posting websites on the Internet. For many, the new knowledge they acquired from the tour revealed available jobs suited to their qualifications within driving distance of their homes.

Because jobs funded under the Recovery Act are not permanent, work experience supplemented by training is meant to help equip those hired workers to get new and better jobs once their SRNS commitments expire. Through active workforce development, educational outreach (primarily in partnership with the University of South Carolina-Aiken and Aiken Tech Community College), and ongoing building trades training, SRNS has demonstrated an ongoing dedication to helping employees not only do well while working at the site, but to gain meaningful long-term employment afterward.

> "Approximately 80 percent of the eventual hires were made among the local population, creating a huge economic impact."



Fluor again works at the center of these efforts alongside its partner companies, as Flowers explained.

"What we have seen over and over again are the benefits of having Fluor involved in our SRNS programs," he said. "As the lead contractor here, Fluor instills its corporate culture, its high standards of ethics and compliance, its expectation of excellence, and its values of integrity and respect for each individual. The company sets up employee orientations, using the same modules and messages each time to ensure consistency. We see the people coming on board here, after experiencing the Fluor training, really having the message of integrity and high expectations resonate with them."

Economic vibrancy extends outside the plant gates and into the larger community as part of Fluor's sustainability initiatives at SRNS. A small-business forum in downtown Augusta attracted nearly 600 smallbusiness owners and representatives to learn how to win government contracts, gaining insight through faceto-face discussions with SRNS procurement specialists.

#### Safety Performance Vital Onsite and in the Community

"Our charge is to conduct our mission safely, delivering our results on time and exceeding the expectations of our DOE customers," Flowers said. "Fluor and our partners are all an essential part of that effort."

Safety and health performance also features prominently in the outreach picture, operating from a solid base of validated internal safety performance that includes:

- SRNS operations and service subcontractors achieving a total recordable case rate of 0.60, more than 90 percent below the latest published rates for the comparable North American Industry Classification System peer group.
- SRNS construction employees reaching more than 23.6 million exposure hours (11 years plus) without a lost time injury or illness.

• Earning safety awards from the National Safety Council, South Carolina Manufacturers Alliance, and South Carolina Chamber of Commerce.

SRNS being selected by the DOE to host its Integrated Safety Management Conference in 2010 represents a national honor involving the entire project site. A community-based safety expo including hospitals, medical response units, fire departments, regional health agencies, and the South Carolina Department of Health drew more than 1,000 people. Long-range plans call for this event to serve as the springboard to a larger, more broad-based effort to bring safety and health information and practices to families across the region served by SRNS.

#### **Excellence in Employment and Diversity**

Taking a strategic approach to employment and diversity and having a Diversity Board of Directors in place helps to ensure that diversity is integrated into the philosophy and practices of SRNS. Subject matter experts work closely with management relative to job postings, promotion planning, employee relations and disciplinary matters. The impact of these efforts helped lead to excellence in employment and diversity. SRNS was awarded the 2009 Excellence in Workplace Diversity award by the South Carolina Diversity Council and the South Carolina Chamber of Commerce.

"Through an active community outreach program, including having many of our site leaders serving on community boards and being recognized as the single largest contributor to United Way in this area, SRNS is proud to contribute time and talent in the service of the people in our home base," said Flowers.

"In these efforts, along with every other aspect of our sustainability program, the people of Fluor continue to be an indispensable part of the picture."



**ICA Fluor has** helped AHMSA set a standard in the area of safety.

## **PROJECT FEATURE:** THE FÉNIX PROJECT MONCLOVA, COAHUILA. MÉXICO

At Mexico's largest steel making facility, Altos Hornos de México (AHMSA), one contractor onsite serves not only as project manager, but as the resource for leadership and direction in the key sustainability applications of safety, environmental protection, jobs creation, regional economic development, and community involvement. And that contractor is ICA Fluor, a Fluor joint venture with ICA, S.A.B de C.V.

The Fénix Project consists of expanding the facility through installation of a steelmaking and continuous casting plant, and plate and roll mill. These new facilities will increase AHMSA's steel producing capacity by 40 percent. The steelmaking plant involves installing an electric furnace, a ladle furnace and a continuous caster with total slab capacity of 1.2 million tons per year.

#### Safety Standards Considered Best-in-Country

"Our client recognizes and respects the professionalism and expertise that ICA Fluor brings to their operations here," said Raúl Medina, Project Manager for ICA Fluor. "One of the most important areas where that becomes obvious is in safety.

"Of course, safety has always been a top priority at ICA Fluor, but what we've seen is that our standards and practices when it comes to safety are very different from what other contractors do here. For that reason, our performance in safety is looked at as the standard. We're seen as the benchmark for others to aim for."

ICA Fluor's safety culture at the project has helped AHMSA to implement some of our practices such as regular morning safety meetings with all workers, extensive training, and providing all employees with protective equipment, in order to bring all contractors up to ICA Fluor's safety standards. For its part, the project reached a plateau of 1 million work hours without a lost-time incident in 2009.

"These actions show a clear commitment to safety," Medina explained. "And because safety starts at the top, we include representatives of the plant owners in our safety training programs."

Recognizing ICA Fluor's strong ethics and compliance reputation, the steel producer has looked to ICA Fluor for best practices to consider implementing in its own organization after confronting some difficult business issues.

#### Industrial Site Achieves Notable Environmental Marks

A major steelmaker isn't necessarily the first thing most people would think of to illustrate advanced environmentally friendly practices, but with ICA Fluor's guidance, AHMSA would qualify, said Medina. Some highlights of environmental achievements at the site include:

- 95 tons of steel and iron scrap recycled to produce new steel.
- A reduction of 36 percent in non-hazardous waste and 12 percent in hazardous waste.
- A reduction of 40 percent in paper usage and 20 percent in overall consumables at the site due to conversion to electronic documentation.
- ICA Fluor engineers also determined how to construct a reinforced soil wall in areas of deep excavations to support railroads operating nearby and avoid landslides that could generate risks to workers or train accidents.
- ICA Fluor designed drainages and a catch basin to treat cooling tower effluents in support of AHMSA's policy of zero discharges.

#### **Site Supports Regional Employment**

At its peak, the AHMSA expansion project employed more than 2,000 people and supported another 3,000 employees at local shops providing support products and services. Craft labor came from 24 of the 32 Mexican states, due to lack of demand for craft for civil activities. Currently, the project employs about 500 onsite and 600 locally. Extensive training has been provided to local craft to incorporate as many as possible into the project.

"Today, 100 percent of workers here come from the larger region, with 70 percent of employees coming from the community immediately surrounding the plant," said Medina. Recognizing this, ICA Fluor supports AHMSA's commitment, as the largest employer in the state of Coahuila, to create and sustain as many jobs as possible.

An ongoing training program related to structural steel and quality standards is offered, as is a scholarship program in conjunction with AHMSA for welders to encourage them to attend training programs with the goal of increasing the pool of available workers for hire.

"Many local companies work with us because we believe and they believe we'll be here long-term," Medina said. "Safety training, quality control and quality assurance are built into our process at all times. This is a steel town, so a lot of companies in support roles are just as interested in those areas, because they know they must fulfill these requirements."

Then, just for fun, Medina said the company sponsors the local baseball team, the appropriately named "Steelers."

"Baseball is very big around here," he said. "Our team, the Steelers, is linked to the community; it's a very family-oriented activity. From this sponsorship and from everything we do to help lift up the local community, the people here see us as a good company that takes care of our workers."



ICA Fluor's sponsorship of a local baseball team helps build community spirit.

# **SUSTAINABILITY** — It's Our Business



## Society today is faced with increasingly conflicting NEEDS TO IMPROVE LIVING STANDARDS WHILE PRESERVING RESOURCES AND THE ENVIRONMENT. The challenges of sustainability are many, and clients look to companies like Fluor to bring both experience and innovation to bear in helping them address their growing issues.

For nearly a century, Fluor employees have used their unmatched expertise to deliver key solutions for the world's challenges. We practice sustainability in all aspects of our work and, over the past 30 years, have turned

sustainability into a thriving business. In 2009, our company was ranked as one of the Top 500 U.S. Green Companies by Newsweek magazine and the Best Clean Energy Company by The New Economy magazine.

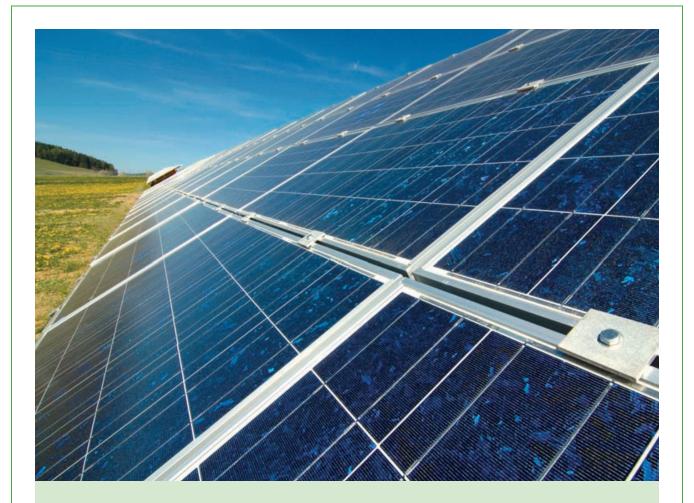
#### **CLEAN ENERGY**

Fluor excels at providing plant betterment services to power generation clients, using its own proven Econamine FG Plus<sup>SM</sup> technology along with other industry-proven desulfurization and nitrogen oxide reduction technologies.

In 2009 alone, Fluor installed flue gas desulfurization units to remove sulfur oxides on 1,540 megawatts (MW) of power plant capacity, as well as selective catalytic reduction equipment to remove nitrogen oxides and fine particulates on 880 MW of output. Currently, the company has 12 projects that include the use of mercury control technology, which can reduce mercury emissions from coal-fired power plants by up to 90 percent. Last year, Fluor completed a power project in Texas for Luminant that is expected to have emissions at least 70 percent lower than the average American coal plant.

On the new awards front, Fluor was selected to develop North America's first commercial-scale carbon-capture system on a power plant in Canada for SaskPower; execute FEED work for a nitrogen oxide reduction program at a power station in England for Scottish & Southern Energy; and study a proposed supercritical 600-MW power plant in Texas for Tenaska, which will set a new standard for clean-coal electricity generation globally. In the oil and gas sector, Fluor was chosen to build two low-sulfur gasoline projects in Mexico for PEMEX Refining, an underground emission-controlled gas storage facility in The Netherlands for a subsidiary of the Abu Dhabi National Energy Company and the world's first project to convert coal-seam gas to liquefied natural gas in Australia for Santos Gladstone.

> "Currently, the company has 12 projects that include the use of mercury control technology, which can reduce mercury emissions from coal-fired power plants by up to 90 percent."



Fluor executed services for the world's first ever large-scale photovoltaic power plant in Carrisa Plains, California.

#### **RENEWABLE ENERGY**

With more than 30 years of experience, Fluor is a leader in the renewable energy markets. A Renewables Business Line was established last year to meet the increasing demand for wind, solar and biomass power generation. Our extensive experience also includes successful projects in the photovoltaic, nuclear, wasteto-energy, energy-storage and geothermal markets.

Fluor is currently working on two of the world's largest offshore wind farms, which will supply carbon neutral, renewable electricity for the United Kingdom. We are

also executing work on two solar power projects, one a 46-MW reference plant for eSolar, and the other a 52-MW photovoltaic project in Spain.

Fluor has executed more than \$3 billion of work during the last few years in photovoltaic polysilicon production facilities. This includes the world's largest plant for LDK Solar in China and another major facility for REC in Washington state, as well as the world's largest photo cell and wafer fabrication plant in Singapore for REC.

With the resurgence of nuclear energy demands, Fluor is leveraging its experience of safely building nine nuclear facilities. We continue working on two new advanced boiling water reactors for Toshiba on the South Texas Nuclear project, as well as a centrifugal uranium enrichment facility in Ohio for USEC.

#### **GREEN BUILDINGS**

Studies of greenhouse gas emissions have determined that the vast majority are the direct result of energy use in buildings. Fluor has more than 40 LEED APs (accredited professionals). In 2009, Fluor was involved in multiple LEED-certified projects, including the world's first LEED Platinum Hospital in Abu Dhabi for the Cleveland Clinic; a LEED Gold Data Center for a large electronics manufacturer in Raleigh, North Carolina; a LEED Silver campus for a large pharmaceutical company in Devens, Massachusetts; and work being performed at the World Trade Center site in New York City.

#### AN ENDURING FUTURE

Clients across each of Fluor's businesses are requesting sustainable engineering, construction, or maintenance to varying degrees, from green buildings, to energy efficient data centers, to construction materials and the minimization of impact to the environment and surrounding communities in delivering these materials to the site.

Fluor's commitment to sustainable development has always been an important and natural part of our builder's culture. We strive to deliver the best possible outcomes for our clients and society at large, supporting the needs of today's world while protecting the resources of future generations.



Fluor is providing engineering, procurement, and construction services to Greater Gabbard Offshore Winds Limited for a 500-MW offshore windfarm off the Suffolk coast of the United Kingdom, which when complete, will be the world's largest offshore wind farm.

## **GRI** Content Index

Fluor has developed its sustainability report using the Global Reporting Initiative's (GRI) G3 guidelines. The table below outlines Fluor's comments on specific GRI reporting elements and indicators and where additional information regarding these can be found in the report. For this 2009 report, we have compiled the report according to a self-reported GRI Application Level B. For a full explanation of the GRI guidelines, visit www.globalreporting.org.

#### **Disclosure Key**

•	Full Disclosure	*	No Disclosure
0	Partial Disclosure	n/a	Not Applicable

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
STRATEGY	AND PROFILE DISCLOSURES		
1. Strategy	& Analysis		
1.1	Strategy & Analysis.	A Message from the CEO, pages 2-3.	•
1.2	Description of key impacts, risks, and opportunities.	A Message from the CEO, pages 2-3.	•
2. Organiza	tional Profile		
2.1	Name of the organization.	About the Company, page 4.	•
2.2	Primary brands, products, and/or services.	About the Company, pages 4-5.	0
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	About the Company, pages 4-5.	•
2.4	Location of organization's headquarters.	About the Company, page 4.	•
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	The company's major offices and project operations are located in Afghanistan, Argentina, Australia, Canada, Chile, China, Dominican Republic, Germany, India, Indonesia, Iraq, Ireland, Kazakhstan, Kuwait, Madagascar, Mexico, The Netherlands, Norway, Peru, The Philippines, Poland, Portugal, Puerto Rico, Qatar, Russia, Saudi Arabia, Singapore, South Africa, Spain, Thailand, Trinidad and Tobago, United Arab Emirates, the United Kingdom, and the 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, 2009, shareholders who own 5 percent or more of Fluor outstanding common stock are FMR LLC, and related entities (6.0 percent) and Blackrock Inc. (5.7 percent). A complete listing of Fluor's subsidiaries is included in Exhibit 21 of the company's Form 10-K filed with the U.S. Securities and Exchange Commission.	•

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	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 production. Major operations are active in Argentina, Canada, China, Germany, India, Kazakhstan, Kuwait, Mexico, The Netherlands, Norway, The Philippines, Poland, Portugal, Qatar, Russia, Saudi Arabia, Singapore, South Africa, Spain, Thailand, Trinidad & Tobago, United Arab Emirates, the United Kingdom and the 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, Madagascar, The Netherlands, Peru, Puerto Rico, South Africa, United Arab Emirates, the United Kingdom and the 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, Qatar, Indonesia and Australia.  4. Government, including contingency operations, service/base operations, nuclear operations, nuclear remediation and design/build services. Major operations are active in Afghanistan, Iraq, Kuwait and the 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, the United Kingdom, and the United States.	•
2.8	Scale of the reporting organization.	About the Company, page 5.	•
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Due to ongoing global economic weakness, Fluor's total global headcount declined from approximately 42,000 in 2008 to approximately 36,000 in 2009.  Board of Directors changes included: Vilma Martinez retired to become the new U.S. Ambassador to Argentina, while Dr. Peter Watson departed to focus on his advisory business. Nader Sultan, a senior partner of F+N Consultancy, joined the Board last year.  Executive-level personnel changes included the promotion of David T. Seaton to chief operating officer; David R. Dunning to group president, Power; Peter Oosterveer to group president, Energy & Chemicals; Stephen B. Dobbs to senior group president, Industrial & Infrastructure and Global Services; David E. Constable, to group president, Operations; John L. Hopkins, to group executive, Business Development; and Bruce Stanski, to group president, Government.  Office changes involved the closing of the Mt. Laurel, New Jersey and Brno, Czech Republic offices.	•
2.10	Awards received in the reporting period.	<ul> <li>The listing below represents the major external awards received.</li> <li>General</li> <li>One of America's and the world's "Most Admired Companies" by FORTUNE Magazine.</li> <li>Ranked 3rd for Engineering and Construction firms on Forbes magazine's list for America's Most Trustworthy Companies.</li> <li>Named to the 100 Best Corporate Citizens list, Corporate Responsibility Officers Association.</li> <li>Community &amp; Social Service</li> <li>Fluor's Dallas, Calgary, and Greenville offices, as well as AMECO, Fluor's integrated equipment and tool solutions company, received recognition for outstanding United Way annual employee giving campaigns, with distinctions in the areas of increasing leadership and Tocqueville donors and overall campaign growth as a result of increased employee and corporate gifts.</li> <li>American Chamber of Commerce and Industry's Most Active Sponsors of Corporate Social Responsibility, Fluor's Philippines office.</li> <li>Volunteer Calgary's Leaders in Business Award.</li> <li>Philippine National Red Cross, Muntinlupa City Branch, "Recognition of Partners in Service" for persons who rendered voluntary assistance during "Typhoon Ondoy" Operations.</li> </ul>	•

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
		<ul> <li>Employees &amp; Workplace</li> <li>For the fourth consecutive year, Fluor has been included on The Top 100 Military Friendly Employers list. Published annually by G.J. Jobr magazine, the list showcases the top two percent of vectran-friendly companies in the United States. More than 5,000 companies were considered this year.</li> <li>Fluor won the prestigious 2009 Black Economic Empowerment award in South Africa for implementing a Skills Development Programme through Fluor University. This award recognizes Fluor's powerful contribution toward economic growth as well as social development in South Africa by equipping employees with transferable skills.</li> <li>Received three Human Resources Impact Awards for Houston office programs: Recruiting &amp; Retention, Communication Integrity, and Diversity Excellence.</li> <li>Fluor named Top Engineering and Technology Company Excellence in Diversity Award recipient by Olive Tree Publishing, publishers and distributors of Black Englemen.</li> <li>Fluor named Top Engineering and Technology Company Excellence in Diversity Award recipient by Olive Tree Publishing publishers and distributors of Black Englemen in New Publishing and Publishers and distributors of Black Engineer of the Year Awards.</li> <li>One Fluor employees honored in the category of Modern Day Technology Leaders, Black Engineer of the Year Awards.</li> <li>One Fluor employee received an Asian American Engineer of the Year award.</li> <li>Recognized as a "Fit Friendly" company, American Heart Association (U.S.).</li> <li>Ethics &amp; Compliance</li> <li>Fluor was named to "World's Most Ethical Companies" list for third consecutive year by Bibisphere Magazine.</li> <li>Fluor's Vice President of Corporate Compliance named to "2009 Attorneys Who Matter" list by Ethisphere Magazine and "Secretary of the Year – Small to Mid-Cap" by Corporate Secretary magazine.</li> <li>Fluor's Vice President of Corporate Compliance and Ethics Program – Small to Mid-Cap" by Corporate Secretary magazine.</li> <li>Paned The Sec Clea</li></ul>	

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
3. Report Pa	rameters		
Report Pr	ofile		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	About the Report, page 6.	•
3.2	Date of most recent previous report (if any).	The 2009 Sustainability Report, published in June 2010, marks the second year the company has published a formal sustainability report. The 2008 Sustainability Report was published in June 2009.	•
3.3	Reporting cycle (annual, biennial, etc.).	Fluor publishes a sustainability report annually.	•
3.4	Contact point for questions regarding the report or its contents.	For more information about Fluor's global sustainability efforts and to share your thoughts about this report, please contact:  Lee Tashjian lee.tashjian@fluor.com  Vice President, Corporate Affairs (469) 398-7625  Fluor Corporation 6700 Las Colinas Blvd.  Irving, TX 75039	•
Report Sc	ope & Boundary		
3.5	Process for defining report content.	About the Report, page 6.	•
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	About the Report, page 6.	•
3.7	State any specific limitations on the scope or boundary of the report.	About the Report, page 6.	•
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Not applicable.	•
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	About the Report, pages 6-7.	•
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	None to report.	•
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Not applicable.	n/a
GRI Conte	nt Index		
3.12	Table identifying the location of the Standard Disclosures in the report.	GRI Content Index, pages 64-84.	•

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
Assurance			
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	About the Report, page 7.	•
4. Governan	ce, Commitments, and Engagement		
Governan	ce		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Committees of Fluor's Board of Directors 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. See Fluor's 2010 Proxy Statement, pages 17-19 for descriptions of the committees, available online at www.fluor.com. 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.	•
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	Governance, pages 23-24.  See also Fluor's 2010 Proxy Statement, pages 14-15 for a discussion of board leadership and a description of the role of the lead independent director, available online at www.fluor.com.  See also Fluor's 2010 Proxy Statement, pages 56-57, available online at www.fluor.com, for a complete company response to shareholder proposal (Proposal 3) seeking adoption of a policy regarding an independent chairman.	•
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 23.	•
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Mechanisms for individuals to communicate with Fluor's Board of Directors are referenced on pages 15-16 and pages 58-59 of Fluor's 2010 Proxy Statement available online at www.fluor.com.  See Fluor's 2010 Proxy Statement, pages 56-57, available online at www.fluor.com, for a complete company response to shareholder proposal (Proposal 3) seeking adoption of a policy regarding an independent chairman.	•
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).	The Organization & Compensation Committee annually reviews Fluor's compensation philosophy and objectives and sets targets for the executive compensation programs. The company provides named executives with base salaries that provide a competitive, stable level of income, since most other elements of their compensation are at risk based on company performance.  A complete discussion of executive compensation is included on pages 22-49 of Fluor's 2010 Proxy Statement, available online at www.fluor.com.	o
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Governance, page 24.  A description of Fluor's Related Party Transaction policy can be found on pages 19-20 of Fluor's 2010 Proxy Statement, available online at www.fluor.com.	•
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.	The process for determining the qualifications and expertise of Fluor's Board of Directors is discussed on pages 15-16 of Fluor's 2010 Proxy Statement, available online at www.fluor.com. In addition, statements regarding each director's skills, qualifications and experience that led to their appointment/election is discussed on pages 3-8 of Fluor's 2010 Proxy Statement, available online at www.fluor.com.	0

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
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.	Fluor's management and Board of Directors are committed to ensuring the company has an effective Compliance and Ethics Program. The company's Compliance and Ethics Committee, made up of cross-functional senior management, helps ensure that the company operates in accordance with the highest ethical business standards. The Fluor Code of Business Conduct and Ethics (the Code) is the centerpiece of the commitment Fluor has made to conduct business with the highest standards of integrity. Fluor's suppliers and contractors are key participants in the company's quest for high standards of business conduct. They are required to comply with and, in turn, require their suppliers and contractors to conform to Fluor's Business Conduct and Ethics Expectations for Suppliers and Contractors (the Supplier Expectations). During 2009, Fluor developed a Sustainability Manual designed to be used globally on projects to implement sustainable practices in home offices and onsite locations to provide environmental, economic, and social benefits for Fluor and its clients. Fluor's multi-discipline Sustainability Committee has oversight of policies, practices and progress on social, technical, human rights, employment, ethical, charitable, political, environmental, and other matters of significance to Fluor performance, business activities, or reputation as a global corporate citizen. The committee also develops the framework for integrating sustainability into Fluor's business model and culture.	•
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.	Governance, page 24.  2009 Board of Directors training included a discussion on business ethics.  A full discussion of risk management oversight can be found on page 20 of Fluor's 2010 Proxy Statement, available online at www.fluor.com.	0
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Governance, page 24.	o
Commitm	ents to External Initiatives		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Does not apply. As a service provider, Fluor does not manufacture or sell products.	n/a
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fluor believes strongly in the notion of collective action where principled companies join together in the common purpose of taking a stand against corruption. 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. To this end, 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 145 signatory companies. 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 United Nations Global Compact, thereby ensuring that our business policies incorporate and support the 10 Global Compact Principles.	•

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	Listed below are the principal associations and initiatives with which Fluor is involved in the areas of sustainability:  Corporate  • American Society of Civil Engineers, principal sponsor of the Anti-Corruption Education and Training Initiative  • World Economic Forum — Global Risk Network; Global Agenda Council on Corruption; and board seat and additional leadership participation in the Partnering Against Corruption Initiative (Switzerland)  • United Nations Global Compact — steering committee participation for the Compact's 10th principle on anti-corruption.  • Transparency International, Business Advisory Council seat held by Fluor Chairman and CEO Alan Bockmann (Germany)  Community & Social Service  • Center for Corporate Citizenship, Boston College (United States)  • National Engineers Week Foundation, Corporate Leadership Council (United States)  • National Engineers Week Foundation, Corporate Leadership Advisory Council (United States)  • United Way Worldwide, National Corporate Leadership Advisory Council (United States)  • The Corporate Executive Board's Compliance and Ethics Leadership Council  • The Conference Board's Global Council on Business Conduct  Employees & Workplace  • The Conference Board's Global Council on Business Conduct  Employees & Workplace  • The Conference Board's Global Council on Resecutive Leaders, Leadership Development, and Diversity and Inclusion (United States)  • The Conference Board – council participation, HR Executive Leaders, Leadership Development, and Diversity and Inclusion (United States)  • Global Diversity Connections Consortium (United States)  • Global Diversity Connections Consortium (United States)  • Cardyst, a nonprofit membership organization working globally with businesses and the professions to build inclusive workplaces and expand opportunities for women in business (United States)  • Laternational Organization for Standardization (ISO) and 14001 (Switzerland)  • International Facility Management Association  • Mary Kay O'Conner Process Safety Center	
		<ul> <li>National Minority Supplier Development Council, corporate member (United States)</li> <li>Women's Business Enterprise National Council (United States)</li> <li>Women's Enterprise Alliance Council, corporate committees (United States)</li> </ul>	
Stakehold	ler Engagement		
4.14	List of stakeholder groups engaged by the organization.	<ul> <li>Clients</li> <li>Employees, union organizations</li> <li>Future generations, environmental interests</li> <li>Institutions, governments, legislators</li> <li>Non-governmental organizations</li> </ul>	•

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
		<ul> <li>Shareholders</li> <li>Society at large, communities</li> <li>Subcontractors, suppliers, business associations</li> </ul>	
		See also A Message from the CEO, pages 2-3.	
4.15	Basis for identification and selection of stakeholders with whom to engage. This includes the organization's process for defining its stakeholder groups, and for determining the groups with which to engage and not to engage.	A Message from the CEO, pages 2-3.	•
4.16 – 4.17	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	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 and continued through 2009 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. In addition, we respond with new technologies and processes designed to help our clients meet their sustainability goals through our dedicated Renewables business line, or as practiced by our project teams on behalf of clients worldwide.  Employees Employee engagement surveys are conducted periodically. The next survey will be rolled out in 2010. Feedback from prior surveys has led to the establishment in 2009 of an array of programs including the complete recasting of career development tracks and the entire performance evaluation system, the launching of Fluor University for online training, and the establishment of increased leadership and employee communications and manager tools. The company's Intranet provides feedback mechanisms where employees can ask questions and provide comments. Global employee teleconferences, webcasts and town hall meetings are held regularly and offer employees additional opportunities to provide feedback and engage with leadership on critical issues.  Shareholders  During 2009, 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 s	•

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure		
PERFORM	PERFORMANCE INDICATORS				
1. Environm	ental				
Materials					
EN1	Materials used by weight or volume.	Did not report. Fluor does not use materials in manufacture. Materials that are used in construction are not tabulated.	*		
EN2	Percentage of materials used that are recycled input materials.	Did not report. Fluor does not use materials in manufacture. Materials that are used in construction are not tabulated.	*		
EN3	Direct energy consumption by primary energy source.	Did not report. Fluor does not measure direct energy consumption on projects (field locations).  See also Health, Safety & Environmental, pages 37-41 for information on energy use and conservation at Fluor offices.	*		
EN4	Indirect energy consumption by primary source.	Did not report. Fluor does not measure direct energy consumption on projects (field locations). See also Health, Safety & Environmental, pages 37-41 for information on energy use and conservation at Fluor offices.	*		
EN5	Energy saved due to conservation and efficiency improvements.	Because Fluor does not measure direct energy consumption on projects, we have no mechanism in place to determine how much energy is collectively saved on projects. See Project Features on pages 52-59 for examples of how Fluor approaches energy conservation and efficiency at the client site.  At many Fluor offices, Sustainability and Green Initiatives working groups have been established to help develop programs, gather ideas and implement actions aimed at making offices more sustainable – starting with energy use and continuing through the spectrum of sustainable actions for the sites and the communities.  Recycling  Virtually all Fluor offices have active, ongoing recycling programs, and many of the offices contribute recycled materials to their communities. Some examples include:  • More than 28,000 aluminum cans were recycled in the Calgary office. That is 1,736 pounds of aluminum. Aluminum can recycling programs are in place in Fluor offices from Mexico to South Carolina, Manila to Southern California, and Vancouver to Virginia. Factoid – recycling one aluminum can saves enough energy to power a television for three hours (source: Reynolds Metal Company).  • Fluor offices also recycled 5,000 glass bottles. Factoid – recycling one glass bottle saves enough energy to light a 100-wart light bulb for four hours (source U.S. Environmental Protection Agency). In Fluor's Durban, South Africa office, glass bottles were recycled as part of an extensive new recycling program for most office materials and supplies.  • More than 5,400 plastic bottles were recycled at Fluor in 2009. Factoids – Five recycled plastic bottles make one square yard of carpet (source Colorado Recycles). As an example of Fluor's bottle recycling activities, our office in the United Arab Emirates participates in a recycling program with the water company, Masafi, which provides a recycling service for all drinking water bottles. More than 80 pounds of bottles were gathered from that office in 2009.  Conservation and Landfill Avoidance Activitie	•		

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
		<ul> <li>Other offices around the world have campaigns to minimize waste related to beverages, such as in Edmonton, where Styrofoam™ cups were replaced with paper cups, and in Vancouver, where only ceramic coffee mugs are used.</li> <li>Fleet Initiatives</li> <li>Special event vehicles were used to shuttle employees and clients in Calgary, Canada and Mexico.</li> <li>Interoffice campus employee and client shuttle services are in operation in Trinidad, Mexico, New Delhi (India), Manila (The Philippines), Houston (Texas), Greenville (South Carolina) and Southern California.</li> <li>Bicycling programs were initiated at several offices, including Haarlem (The Netherlands), Gliwice, Dallas, Brisbane (Australia), and Calgary.</li> <li>Other notable vehicle initiatives include: exclusive Euro3 petrol use in Moscow (which is environmentally friendly petrol), fleet reduction in several locations, expat travel pools, and shared taxi and/or car services for visitors (employees and clients) in many locations.</li> <li>See also Health, Safety &amp; Environmental, pages 35-41 for information on energy use and</li> </ul>	
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	conservation at Fluor offices.  Sustainability as a Business, pages 61-63.	•
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Sustainability as a Business, pages 61-63.	0
Water			
EN8	Total water withdrawal by source.	Did not report. Data are not collected.	*
EN9	Water sources significantly affected by withdrawal of water.	Did not report. Data are not collected.  We have no reason to believe that our use of water significantly affects water sources. Water use, other than to create concrete, is not a major environmental issue on a construction site.	*
EN10	Percentage and total volume of water recycled and reused.	Did not report. Data are not collected.	*
Biodiversi	ity		
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. Data are not collected.	*
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. Data are not collected.	*
EN13	Habitats protected or restored.	Did not report. Data are not collected.	*
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Did not report. Data are not collected.	*
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. Data are not collected.	*

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
Emissions	, Effluents, & Waste		
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fluor has developed a voluntary global carbon footprint initiative, using 2006 as the company's baseline year. With the support of ICF International, a leading carbon-emission consultant, Fluor follows the Greenhouse Gas (GHG) Protocol standards for our inventory. Thorough data collection is conducted annually by Fluor's facility managers. 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.  See Health, Safety & Environmental, pages 37-39, for emissions data.	0
EN17	Other relevant indirect greenhouse gas emissions by weight.	See GRI Criteria EN16 as well as Health, Safety & Environmental, pages 37-39 for information on Fluor's corporate carbon footprint.	0
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	See GRI Criteria EN5 as well as Health, Safety & Environmental, pages 39-41 for information on energy use and conservation at Fluor offices.	0
EN19	Emissions of ozone-depleting substances by weight.	Did not report. Due to the nature of Fluor's business, these emissions are expected to be insignificant.	*
EN20	NOx, SOx, and other significant air emissions by type and weight.	Did not report. Due to the nature of Fluor's business, these emissions are expected to be insignificant.	*
EN21	Total water discharge by quality and	Did not report. Data are not collected.	*
	destination.	See Health, Safety & Environmental, page $41$ for information on water conservation efforts at Fluor offices.	
EN22	Total weight of waste by type and disposal method.	Did not report. Data are not collected.	*
EN23	Total number and volume of significant spills.	Fluor reported no significant spills in 2009.	•
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.	Does not apply. No wastes are generated that are covered by the Basel Convention.	n/a
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.	Does not apply. Discharges are handled through client facilities.	n/a

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
Products 8	& Services		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Sustainability as a Business, pages 61-63.	o
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not applicable. As a service provider, Fluor does not manufacture or sell products.	n/a
Complianc	:e		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fluor is not aware of any fines for environmental non-compliance in 2009.	•
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	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.	o
		See also Health, Safety & Environmental, page 41 for examples of 2009 fleet initiatives.	
Overall			
EN30	Total environmental protection expenditures and investments by type.	Did not report. Data are not collected.	*
2. Human Ri	ghts		
Investmen	nt & Procurement Practices		
HRI	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Did not report. Data are not collected.	*
HR2	Percentage of significant suppliers and	Did not report. Data are not collected.	*
	contractors that have undergone screening on human rights and actions taken.	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 similar manner and adhere to all applicable laws. These parties are subject to audit to determine compliance with contract terms and conditions. In addition, during 2009, Fluor implemented the Business Conduct and Ethics Expectations for Suppliers and Contractors. These expectations, which cover a variety of areas including human rights and employment practices, supplement the various contractual requirements that our suppliers and contractors must undertake to further emphasize the high integrity standards we expect.	
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.	During 2009, all Fluor Security employees were trained in company policies and procedures related to operational human rights issues.	0
Non-Discri	imination		
HR4	Total number of incidents of discrimination and actions taken.	Did not report. Fluor considers this information confidential.	*

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
Freedom o	of Association & Collective Bargaining		
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.	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 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.  See also GRI Criteria LA4.	•
Child Labo	or		
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Our belief that all individuals should be treated with dignity and respect is firmly rooted in our core values. Fluor is committed to fostering an environment that recognizes and supports all aspects and dimensions of human rights.  Fluor is a signatory to the United Nations Global Compact and abides by all 10 principles of the Compact, including Principles 1-6 relating to Human Rights.  Fluor does not utilize child, 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 incidents of child 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.  See also Employees & Workplace, pages 28-29.	•
Forced & C	Compulsory Labor		
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	We recognize that in some parts of the world, forced labor exists. We emphatically state that we do not condone the use of 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. We are unaware of any operations having significant risk for incidents of forced or compulsory labor.	•
Security P	ractices		
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	During 2009, all Fluor Security employees were trained in company policies and procedures related to operational human rights issues.	•
Indigenou	ıs Rights		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fluor does not utilize forced or compulsory labor and Fluor is not aware of any incidents of violations involving rights of indigenous people.	•
3. Labor Pra	ctices and Decent Work		
Employme	ent		
LA1	Total workforce by employment type, employment contract, and region.	About the Company, page 5. Employees & Workplace, page 27.	0
LA2	Total number and rate of employee turnover by age group, gender, and region.	Did not report. Information deemed proprietary and/or competitive in nature.	*

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Information is not collected on a global basis.  In the United States, part-time workers are eligible for participation in the same types of benefits as full-time workers with the exception of short-term and long-term disability benefits. Part-time workers are eligible for short-term disability benefits in states where it is mandated.	o
		New benefits offerings and changes to current benefit plans are reviewed by a Global Benefits Committee. The Committee acts as the responsible company body for the direct oversight of corporate-wide U.S. benefit programs, and serves in an advisory role for International and Strategic Business Unit benefit initiatives to achieve competitive, efficient, and value added programs for employees and their families.	
		<ul> <li>Fluor offices outside the United States also develop programs to meet the unique needs of each geography, business and culture. Three such examples:</li> <li>In 2009, Fluor's Philippines office intensified its Preventative Healthcare Program by providing a more holistic approach to wellness. In addition to its regular preventative healthcare campaign, a program to promote financial literacy was launched via a seminar conducted by one of the country's most renowned financial advisors.</li> <li>Employee activities to promote teamwork and fitness and provide opportunities to socialize with fellow employees are handled by the Manila Employee Relations (MER) Committee. The MER is composed of employees from different disciplines who collaborate, plan and manage these activities the entire year. Aside from the fun and novel activities generated by this diverse group of employees, an added value is the honing of their project management skills as they learn to efficiently plan and manage people, time and resources in this yearly undertaking.</li> <li>The Trinidad Office successfully launched its Annuity Plan in January 2009 – giving all full-time employees the opportunity to save towards retirement. Participation is well over 60 percent, indicating the plan's popularity with staff.</li> </ul>	
Labor/Mai	nagement Relations		
LA4	Percentage of employees covered by collective bargaining agreements.	Approximately 25 percent to 30 percent of Fluor's direct hire workforce in the United States is covered by collective bargaining agreements. Since Fluor's business is project based, the percentage of employees covered by collective bargaining agreements is not a constant number.	•
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Did not report as data are not available on a global basis. However, around the globe, we operate consistent with local laws and requirements and try to give as much notice as is practicable and possible in terms of operational changes. In the United States, Fluor is in compliance with the Worker Adjustment and Retraining Notification Act.	0
<b>Occupatio</b>	nal Health & Safety		
LA6	Percentage of total workforce represented in formal joint management – worker health and safety committees that help monitor and advise on occupational health and safety programs.	<ul> <li>Did not report. Data are not collected.</li> <li>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:</li> <li>Cultivating an active interest in HSE issues and assisting in reducing work-related injuries, illnesses and hazards;</li> <li>Assessing and making recommendations for HSE training and education;</li> <li>Reviewing and enhancing all HSE procedures for the workplace;</li> <li>Examining the circumstances surrounding recent workplace injuries and incidents, as well as work-related illnesses, and making recommendations to mitigate risks and improve performance;</li> <li>Proposing programs aimed at raising and maintaining interest in the workplace HSE program;</li> <li>Reviewing planned inspections and audits and making recommendations to correct unsatisfactory levels of performance; and</li> <li>Providing full and proper documentation of all meetings, recommendations and other relevant endeavors.</li> </ul>	*
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	See Health, Safety & Environmental, pages 35-36.	*

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	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.  See also Health, Safety & Environmental, page 35, for information about Fluor's H1N1 preparedness and employee training.	•
LA9	Health and safety topics covered in formal agreements with trade unions.	Prior to the start of our domestic union projects, the company through its Industrial Relations group holds pre-job conferences with members of the Building and Construction Trades Council. The purpose of these is to familiarize the union representatives with the project, introduce key members of the project management team and subcontractors to such topics as work scope, schedule, wage information, staffing requirements, jurisdictional resolution, jobsite conditions and HSE. We believe that discussing these topics, particularly HSE expectations, in advance will get each project off to a strong start.  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 HSE matters is embraced by all workers. Prior to the start of our domestic union projects, the Industrial Relations group holds pre-job conferences with members of the Building and Construction Trades Council to familiarize the union representatives with the project, introduce key members of the project management team and subcontractors. By aligning such topics as work scope, schedule, wage information, staffing requirements, jurisdictional resolution, jobsite conditions, and HSE in advance, projects benefit from a stronger start. 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	•
Training &	Education		
LA10	Average hours of training per year per employee by employee category.	Information is not collected on a global or regional basis. However, Fluor is committed to providing ongoing training and education for its employees, which results in added value to our clients and the enhancement of long-term business growth. The company's Human Resources policy encourages a minimum of 40 hours annually per salaried employee of ongoing training and education in job specific skills and general professional, technical and managerial development. This standard is expected to be met through a combination of company and personal time. Internal and external development activities, both within and outside normal job responsibilities, including project and related training activities; internal training programs; external seminars, workshops, professional conferences; academic coursework; and assuming a key role in community/charitable organizations.  See also Employees & Workplace, page 30.	٥
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fluor offers a variety of skills management and lifelong learning programs through online training provided by Fluor University, complemented by instructor-led training at various Fluor locations. In addition, the company provides extensive skills training to craft workers. 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 3,000 employees originating from 20-plus global offices are currently on international assignments in 40 countries – a bona fide reflection of our workforce's mobility and commitment to serving our clients around the world.  See also Employees & Workplace, pages 30-33.	o

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
LA12	Percentage of employees receiving regular performance and career development reviews.	Employees & Workplace, page 31.	0
Diversity	& Equal Opportunity		
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	See About the Company, page 5, and Employees & Workplace, pages 27-28, for breakdown of employees by business, geography and gender.  During 2009, Fluor instituted an annual questionnaire of its Board of Directors to collect gender and race/ethnicity data. Since not all directors participated in this voluntary disclosure, diversity data for the Board is not provided in this report.  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 is a cultural mindset at Fluor, developed from a strategic approach to creating positive work environments that is maintained through leadership demonstration and deliberate programming to ensure the culture is nurtured and sustained. During 2009:  Behavioral-based language was incorporated into the 360-degree executive evaluations.  Twelve leadership messages about issues related to diversity and inclusion were distributed to employees across the company, providing some of our leaders' personal perspectives to help engage employees.  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 c	0
LA14	Ratio of basic salary of men to women by employee category.	Did not report. Information deemed proprietary and/or competitive in nature.  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 independent 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. See Fluor's 2009 Proxy Statement, Compensation Discussion and Analysis, beginning on page 22, available online at www.fluor.com.	*

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Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Community & Social Service, page 47.	o
Percentage and total number of business units analyzed for risks related to corruption.	Ethics & Compliance, pages 16-17.	0
Percentage of employees trained in organization's anti-corruption policies and procedures.	Ethics & Compliance, pages 16-17.	•
Actions taken in response to incidents of corruption.	Ethics & Compliance, pages 17-18.	•
Public policy positions and participation in public policy development and lobbying.	Fluor has a right and responsibility to advocate positions on issues that are vital to the company's stakeholders. Our efforts at the federal, state and local level are focused on the markets we currently and plan to serve and toward policies and initiatives that promote sustainable economic growth, free markets, and innovation.	o
	Fluor complies with all registration and reporting regulations placed on this activity.	
Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fluor participates in the political process through employee contributions to the Fluor Political Action Committee (FLUORPAC) and through company contributions where legal and appropriate. Fluor and FLUORPAC make bipartisan contributions to political candidates and initiatives that support the company's policies and programs. FLUORPAC makes contributions to candidates for federal office and certain state and local candidates where allowed by law.  A list of federal contributions made by FLUORPAC can be found on the U.S. Federal	o
	Election Commission website.	
tive Behavior		
Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	Did not report. To the extent that there is anything to report, the information is deemed confidential, except matters that are disclosed publicly.	*
Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	Did not report. To the extent that there is anything to report, the information is deemed confidential, except matters that are disclosed publicly.	*
ponsibility		
ealth & Safety		
Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	The HSE services that Fluor provides to 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 office 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.	•
ti i i i i i i i i i i i i i i i i i i	programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.  Percentage and total number of business units analyzed for risks related to corruption.  Percentage of employees trained in organization's anti-corruption policies and procedures.  Actions taken in response to incidents of corruption.  Public policy positions and participation in public policy development and lobbying.  Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.  ive Behavior  Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.  Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.  ponsibility  salth & Safety  Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories	Percentage and total number of business units analysed for risks related to corruption.  Ethics & Compliance, pages 16-17.  Ethics & Compliance, pages 17-18.  Fluor has a right and responsibility to advocate positions on issues that are vital to the company's stakeholders. Our efforts at the federal, state and local level are focused on the markets we currently and plan to serve and toward policies and initiatives that promote sustainable economic growth, free markets, and innovation.  Fluor omplies with all registration and reporting regulations placed on this activity.  Total value of financial and in-kind contributions to political partics, politicians, and related institutions by country.  Effur participates in the political process through employee contributions where legal and appropriate. Fluor and FLUORPAC and through company contributions where legal and appropriate. Fluor and FLUORPAC and through company contributions where legal and appropriate. Fluor and FLUORPAC can be found on the U.S. Federal Election Commission website.  IVE Behavior  Total number of logal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.  Did not report. To the extent that there is anything to report, the information is deemed confidential, except matters that are disclosed publicly.  The HSE services that Fluor provides to its clients and employees, as well as other stakeholders such as communities, are continually assessed for improvements and enhancements. These for improvement, and percentage of rimprovements and enhancements. These fo

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Does not apply. Fluor does not manufacture or sell products.	n/a
Product &	Service Labeling		
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. Fluor does not manufacture or sell products.	n/a
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. Fluor does not manufacture or sell products.	n/a
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Did not report. Formal and informal surveys are conducted with clients on an ongoing basis to assess project performance and satisfaction. This information is deemed proprietary and/or competitive in nature.	*
Marketin	g Communications		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	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 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 with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fluor is unaware of any incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship.	•
Customer	Privacy		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	In the ordinary course of conducting business with clients, Fluor signs and maintains confidentiality agreements. We are unaware of any substantiated complaints regarding any breaches of privacy or loss of data during 2009.	•
Complian	ce		
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	Fluor has not had any significant administrative or judicial sanctions or fines levied against the company during 2009 for failure to comply with laws or regulations concerning the provision and use of its products and services.	•
6. Economic			
Economic	Performance		
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, pages 45-51.  2009 Community Highlights  • \$6.5 million in corporate and Foundation contributions to community organizations, educational initiatives, and programs in 17 countries.	0

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
		More than 41,500 employee volunteer hours toward 195 team service projects assisting organizations and schools.  S840,000 in economic value of employee volunteer time toward community service projects benefiting organizations and schools.  School supplies distributed to schools and youth organizations during the annual Fluor Global Service Project—Building Futures, conducted in 33 locations around the world.  S4.35 million in employee contributions and matching grants pledged to United Way and health and human service agencies.  A total of more than S1 million in grants toward engineering and construction programs and scholarships to 33 universities in Canada, Chile, The Netherlands, The Philippines, Poland, South Africa, Spain and the United States.  Through the Matching Gifts to Education Program, employees worldwide contributed \$380,000 to 229 elementary/secondary schools and universities.  Sampling of 2009 Fluor contributions to non-governmental organizations focusing on human service needs and youth development  \$10,000 to Interfaith Food Bank in Calgary, Canada.  \$15,000 to Buskid Kabataan Philippine orphanage.  \$4,000 to Khushii to assist poor rural communities in India.  \$20,000 to Meals on Wheels.  \$25,000 to the Salvation Army community center in Greenville, South Carolina.  \$15,000 to Samilies Forward homeless prevention program.  \$20,000 to Voruth at Risk in Juncos, Puerro Rico, for minors at risk program.  \$30,000 to Un Techo para Chile (A Roof for Chile) to support construction of emergency housing.  Sampling of educational grants made in 2009  \$50,000 to Chemon University supporting the women in engineering and mentoring programs along with engineering students association projects and competitions.  \$65,000 to the University of Witwaterstand in South Africa to support the building of a new engineering facility and to address shortage of engineering programs along with engineering students.  \$22,000 to the Hydromeatllurgy Chair at the University of British Columbia.  \$25,000 to Foundation for Te	

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
		Regarding payments to governments, 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 are 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.	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Did not report.  Fluor has processes in place to meet governmental regulations dealing with climate change.  Those processes are equipped to address reporting, mitigation, and controls, but the direct impact to Fluor is not expected to be significant.	*
EC3	Coverage of the organization's defined benefit plan obligations.	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.	•
EC4	Significant financial assistance received from government.	No financial assistance was received from the government.	•
Market Pr	esence		
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Did not report. Information deemed proprietary and/or competitive in nature.  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.	*
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Community & Social Service, pages 48-49.	0
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Did not report. Information deemed proprietary and/or competitive in nature.  Fluor adheres to all employment laws and strives to ensure local management is hired, developed and retained.	*
Indirect E	conomic Impacts		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement.	Community & Social Service, pages 49-51.  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. Fluor offices across the globe are engaged in grassroots voluntary green community activities that bring funds, supplies, nature and well-being to scores of communities globally. Highlights include:  Paper and binders to a local elementary school (Durban, South Africa)  Computers and monitors to Computers 4Kids (Brisbane, Australia)	•

GRI Indicator	GRI Definition	Fluor Comments & Cross-Reference	Level of Disclosure
		<ul> <li>Indonesian Red Cross received donations of paper and plastic bottles for recycling program (Jakarta, Indonesia)</li> <li>Centennial High School received office supplies (Calgary, Canada)</li> <li>Donated binders and office supplies to the Salvation Army (Vancouver, BC, Canada)</li> <li>Employees donated over 50 boxes of used clothing for the River of Hearts (Shanghai, China)</li> <li>Used office workstations were provided to De Walden school (Haarlem, The Netherlands)</li> <li>Office supplies and space heaters provided to W.T. Hanes Elementary School and Irving Cares organizations (Irving, TX)</li> <li>Workstations, furniture and office supplies donated to South Dallas Service s and the Salvation Army (Dallas, TX)</li> <li>Binders, folders and miscellaneous office supplies were donated to each of the following organizations: American Opportunity Foundation, Santa Ana Unified School District, Los Amigos High School, Westminster High School, Fluor Community Involvement Team Backpack Program (Southern California)</li> <li>Office supplies and equipment such as projectors, paper shredders and paper cutters were donated to Habitat for Humanity, along with office supplies donated to the Greenville County Schools Social Work Department and the Spartanburg Charter School (Greenville, SC)</li> <li>Recycled paper donated to Fundación San Jose charity (Madrid and Asturias, Spain)</li> <li>Toner and ink cartridges provided for recycling to the Finley Park Hospital Cancer Research Center (Camberley, United Kingdom)</li> </ul>	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Community & Social Service, pages 49-51.	•

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