

2011 SUSTAINABILITY REPORT

Celebrate
the past.

A 100-year commitment to sustainable practices

Serve the future.

FLUOR[®]

Celebrate the past. Serve the future.

One hundred years in the future, what will people say about Fluor? The decisions we make today write that history, just as our predecessors have since 1912. Sustainable. Accountable. Responsible. With these commitments, Fluor does business in a way that builds a proud history and serves a sustainable future.

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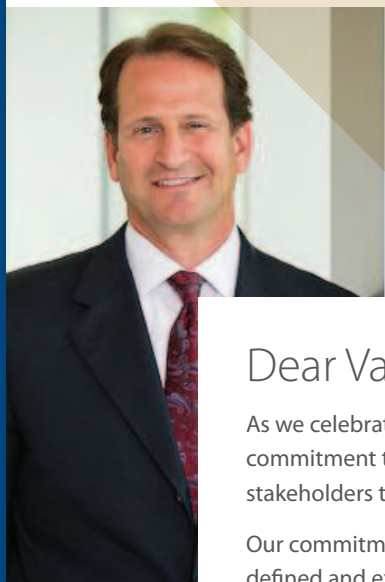
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Dear Valued Stakeholder,

As we celebrate Fluor's centennial year, we are constantly reminded of our heritage and commitment that has helped us thrive for our first 100 years, and of our responsibilities to stakeholders to ensure that we maintain a culture that allows us to prosper in the future.

Our commitment to sustainability is fully documented in this report. Throughout it, we have defined and explained the actions our company has taken and the progress made in 2011 to enhance our performance, ensuring that the principles of sustainability serve as the centerpiece for decision making and work execution as we move into our second century of service to clients and customers.

Meeting our century mark provides a time of reflection for all Fluor employees and especially, Fluor leadership. It has inspired us and created a true sense of responsibility and commitment to maintain the consent of our stakeholders, the admiration of our peers and the actions that reinforce a sustainable and valuable enterprise on a global stage.

It is especially poignant to hear from Fluor leaders of the past. Leaders who helped create the culture of our company, leaders who recognized and embraced the principles of sustainability — some before it was en vogue.

In a special section of the report, former Fluor leaders relate their experiences and share their insights on the beginnings of our sustainability efforts and the decisions and actions in the past that helped shape our policies and directions today. We are grateful to these retired senior executives, and thank them for laying an all-important foundation for the long-term success of our company.

But, that commitment is ongoing. Today, we continue to make headway on issues that are essential to long-lived, healthy companies. In the area of ethics and compliance, corruption remains a global problem in our industry. But through our efforts with the B20, a working group of international business organizations providing recommendations to the G20, we believe we have been instrumental in raising awareness and developing workable solutions. Collaboration among government, civil society and business, through the World Economic Forum and other organizations, is making a difference, and we are very encouraged by the resulting progress.

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Just as with other long-standing and complex problems the world has addressed in the past, the issue of corrupt business practices will, we believe, yield to the effective and uncompromising efforts of a strong coalition. In representing Fluor as co-chair of the B20 Anti-Corruption Task Force, I am proud that our company is engaged at the highest levels in this good work.

In the area of health, safety and environment, we made progress in reducing Fluor's global carbon footprint in part by decreasing energy consumption at our facilities and reducing the need for business travel with the expansion of our video conferencing and distance learning technologies. Perhaps most gratifying, we were able to help many of our clients achieve their environmental goals. Environmental challenges abound, and our clients look to us to provide innovative, cost-effective solutions. Time and again, we have proven we are equal to the task.

For Fluor employees, safety is paramount, and we continued our strong safety record in 2011 even as total work hours increased 25 percent. As a result of our efforts, Fluor was honored to receive a number of awards and certifications in 2011, among them designation as one of America's safest companies by *EHS Today* magazine. We also made strides in attracting, developing and retaining highly skilled people, accelerating opportunities for non-Western employees to participate in international assignments, updating our performance assessment and career development planning systems and completing succession plans throughout the company.

Fluor employees, individually and in concert with company-sponsored initiatives, made meaningful contributions to communities around the world in 2011.

Thousands of volunteers devoted considerable hours to a myriad of causes, from tutoring elementary and secondary pupils, to filling backpacks with school supplies for needy students, to collecting canned goods for food banks, to building new homes in disadvantaged communities.

Fluor Corporation and the Fluor Foundation together contributed more than \$6 million to worthy programs in 17 countries as we continue to make progress against such overarching problems as hunger and homelessness. It is a pleasure to work with such impressive employees.

We conduct business in an ever-changing landscape, yet our dedication to practicing sustainability remains resolute. With leadership, initiative and innovation, we aspire to influence all our stakeholders to participate in this endeavor and to enable our clients to achieve or exceed their own objectives. Imbued with the pride that comes from 100 years of experience and accomplishment, yet appropriately humbled by the challenges that lie ahead, Fluor rededicates itself to building for a better tomorrow.

Sincerely,



David T. Seaton
Chairman and Chief Executive Officer
August 2012

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About the Company

✦ GRI 2.1 – 2.4, GRI 2.8

Headquartered in Irving, Texas, Fluor Corporation (NYSE: FLR) is one of the world's largest publicly traded engineering, procurement, construction, maintenance and project management companies.

Over the past century, Fluor, through its operating subsidiaries, has become a trusted global leader in providing exceptional services and technical knowledge across a broad range of industries. Clients rely on Fluor to deliver world-class solutions that optimize their assets, improve their competitive position, increase their long-term business success and support their sustainability goals.

Consistently rated as one of the world's safest contractors, Fluor's primary objective is to develop and execute projects on schedule, within budget and with excellence. Fluor executes more than 1,000 projects annually, serving in excess of 600 clients in 66 countries. The company maintains more than 50 offices in 28 countries across six continents. This diversified model allows us to address the specific needs of our many end markets by harnessing the tremendous strengths of our global network. This level of versatility and teamwork supports our reputation for taking on the challenges of front end engineering and design optimization, to small- and mid-sized capital projects, to complex

megaprojects from concept to completion — even as economic and competitive dynamics change.

OIL & GAS

Oil & Gas provides engineering, procurement, construction and construction management (EPC/EPCM) services from studies and minor modifications to some of the largest and most complex upstream, downstream and petrochemical projects in the world. The group designs and builds processing plants, refineries, pipelines, offshore facilities and other energy assets in mature industrial zones to remote and challenging locations around the globe.

INDUSTRIAL & INFRASTRUCTURE

Industrial & Infrastructure helps to build the very foundation of modern societies and economies. The group provides management, engineering, procurement, construction and maintenance solutions to the mining and metals, highway and rail transit, aviation, heavy civil, manufacturing and life sciences industries all over the world.

FLUOR MAINTAINS

50+
offices in
28 countries

FLUOR EXECUTES

1,000+
projects annually

FLUOR SERVES

600+
clients in
66+
countries worldwide

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GOVERNMENT

Government provides logistics services, base and facilities operations and maintenance, contingency response and environmental and nuclear services support to governments. Several U.S. agencies, including the Departments of Defense, Energy and Homeland Security, rely on the group's immense competencies.

POWER

Power designs, builds, commissions and retrofits facilities to meet the world's demand for energy. The group is a partner of choice on power generation projects across all fuel types and technologies, including fossil fuels, renewables and nuclear, and provides expertise in environmental compliance and emissions retrofit work.

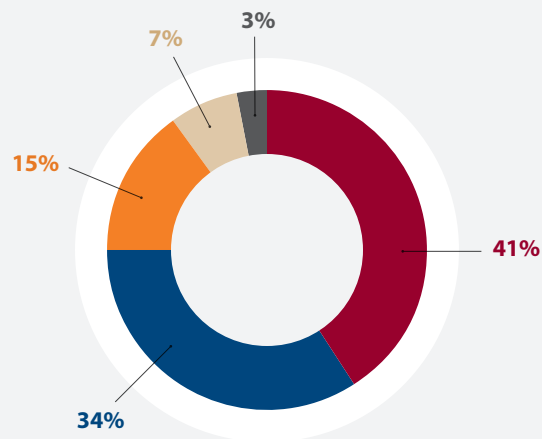
GLOBAL SERVICES

Global Services provides a wide array of solutions to help industrial clients optimize their performance. The group offers facility management, site-based maintenance, plant engineering, industrial fleet and equipment services, small capital construction and professional staffing.

FINANCIAL HIGHLIGHTS

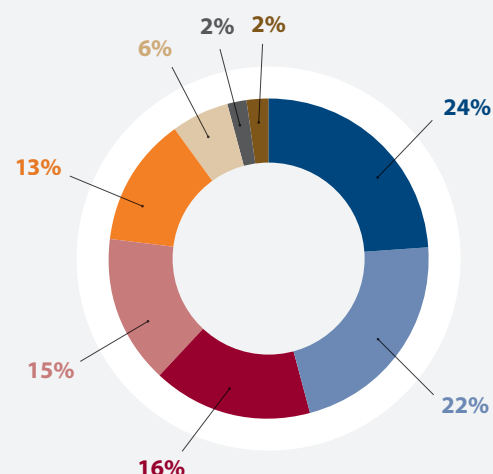
➤ **GRI 2.8** Fluor's market capitalization on December 31, 2011, was \$8.8 billion. For 2011, revenues were \$23.4 billion with net earnings of \$594 million. Cash and marketable securities at December 31, 2011, were \$2.8 billion. Total assets were \$8.3 billion and long-term debt was \$514 million. Total shareholders' equity stood at \$3.4 billion. Fluor experienced no material changes in size or structure during 2011, although some developments are outlined in the GRI Content Index, Criteria 2.9, on page 41.

New awards for the year were \$26.9 billion and year-end backlog was \$39.5 billion.



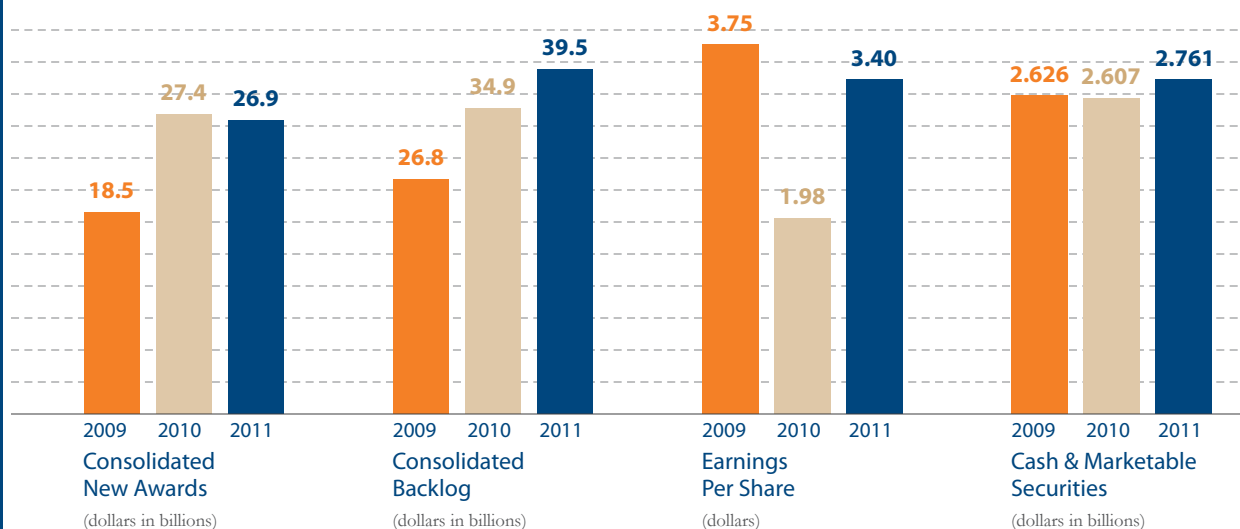
Revenue by Segment

Industrial & Infrastructure
Oil & Gas
Government
Global Services
Power



Consolidated Backlog
by Region

Australia
United States
Canada
Latin America
Middle East
Europe
Asia Pacific
Africa



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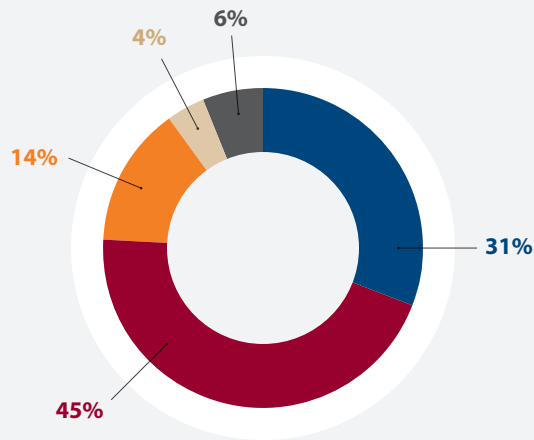
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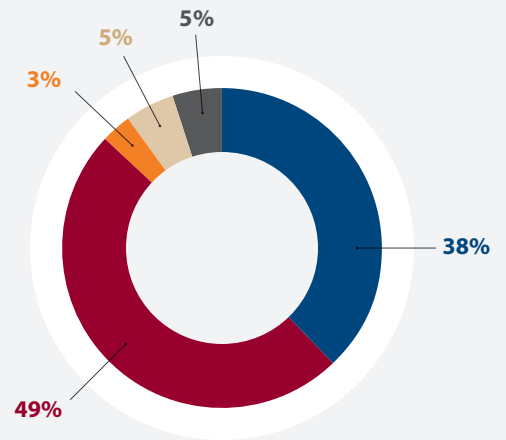
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2011 Consolidated New Awards

- Oil & Gas
- Industrial & Infrastructure
- Government
- Global Services
- Power



2011 Consolidated Backlog

- Oil & Gas
- Industrial & Infrastructure
- Government
- Global Services
- Power

OUR EMPLOYEES

GRI LA1

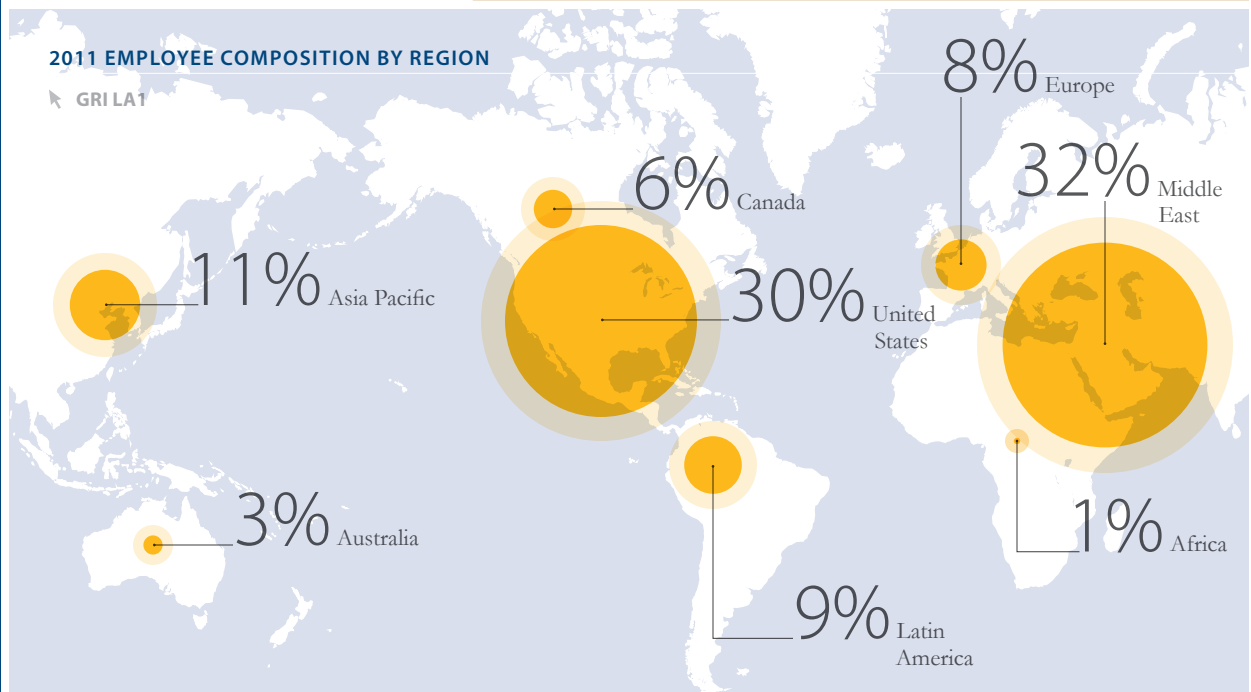
Fluor is a Fortune 200 company with a year-end
2011 global workforce of

43,000+

employees – approximately
33,000 salaried and
10,000 craft/hourly workers.

2011 EMPLOYEE COMPOSITION BY REGION

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OUR EMPLOYEES

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In 2011, our
salaried workforce
was

female 22%








78% male

2011 EMPLOYEE COMPOSITION BY BUSINESS GROUP

Salaried Employees

Number of Employees

 Oil & Gas	9,869
 Industrial & Infrastructure	4,776
 Government	11,328
 Global Services	3,445
 Power	816
 Other	3,018

Total Salaried 33,252

 Craft and Hourly Employees 9,835

Total 43,087

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About the Report

➤ GRI 3.1

Our annual sustainability report features quantitative and qualitative data for calendar year 2011, with additional material from previous years or related to important events or notable information available in 2012 prior to the publishing of the report. This report also serves as Fluor's annual Communication of Progress under the United Nations Global Compact.

SCOPE AND BOUNDARY

➤ GRI 3.6

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. All financial figures are presented in U.S. dollars unless otherwise noted.

MATERIALITY

➤ GRI 3.5

This report is aligned with the information contained in our Annual Report on Form 10-K, our 2011 Annual Report to Shareholders and our Annual Proxy Statement for the 2012 Annual Meeting of Shareholders.

Fluor has prepared this report under the direction of the company's Sustainability Committee. Materiality of content included in this 2011 Sustainability Report and its prioritization were assessed and determined by Fluor's Sustainability Committee, which has representation from senior executive management; Ethics & Compliance; Corporate Affairs; Corporate Development; Government Relations; Health, Safety & Environment (HSE); Human Resources; Investor Relations; Law; Procurement; Sales; and Strategic Planning.

The report was developed to provide information to clients, employees, shareholders, lenders, financial analysts, rating agencies, suppliers and subcontractors, nongovernmental organizations, news 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, as opposed to the more recent version 3.1. The company is in the process of evaluating the impact on data collection and availability of data required under the GRI 3.1 reporting guidelines and will determine the steps necessary to meet the latest GRI reporting requirements in future reports.

APPLICATION LEVEL

The GRI Reporting Framework requires that companies self-declare an "application level." By self-declaration, this report meets the criteria for application level B. For a full explanation of the GRI guidelines, visit www.globalreporting.org.

➤ GRI 3.7, 3.9

In this document, Fluor reports on the G3 indicators that were relevant to its business operations and measurable in 2011. In the context of Fluor's carbon footprint, this report represents emissions produced within the corporate 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.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**.

We welcome feedback on its contents.

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What is the GRI?

The Global Reporting Initiative is a nonprofit organization that promotes economic, environmental and social sustainability. GRI provides all companies and organizations with a comprehensive sustainability reporting framework that is widely used around the world.



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 41.

➤ GRI 3.13

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.

➤ GRI 3.4

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

Kirk Grimes

Group Executive, Operations and
Head of the Fluor Sustainability Committee

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Fluor Centennial

Putting a Name on
a Way of Life

Company founder John Simon Fluor Sr. came to America with one word of English and an uncompromising work ethic. The culture he established in 1912 would lay the framework for the next hundred years.

Before the Global Reporting Initiative took form, before a framework for charting and reporting sustainability emerged, before the word sustainability even resonated in the vast majority of offices and operations, sustainability was a way of life at Fluor. It was a code of conduct written on the collective conscience. It was a set of principles founded on values and beliefs.

Looking back during this, the company's centennial year, five retired executives describe how the fundamental tenets of sustainability have always been important at Fluor. They speak with conviction and respect about Fluor's legacy of integrity and ethical conduct, regard for employees and duty to communities, clients and shareholders.

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Walking the talk, every step of the way: The road to sustainability



Hugh Coble

“... there was never any question that we were prepared to walk away from even a great business opportunity if it was the least bit tainted.”

It's been more than 40 years since Hugh Coble, retired vice chairman, encountered one of his first ethical dilemmas at work. Newly assigned in Fluor's sales function to a large territory encompassing all of Africa and much of the Middle East, he discovered that winning new work and staying ethical were not always found on the same path.

“Every time a government's corruption in a particular country became evident, we just had to walk away,” he recalls. “To walk away was a real test. As a young man, it was difficult to know if I'd get the backing of my supervisors. But there was never any question that we were prepared to walk away from even a great business opportunity if it was the least bit tainted.”

Another retired vice chairman, Jim Stein, notes that a strong sense of right and wrong was something he grew up with — and he was gratified to find Fluor's values exactly matched his own beliefs. “You might have to lose a project, maybe one you've worked on for months or even years, if you discover an ethical issue. ... But in my entire career, I never once saw that commitment to ethics compromised,” he says.

Retired chairman and CEO Alan Boeckmann was a leader in founding the World Economic Forum's Partnering Against Corruption Initiative (PACI) in 2004. PACI, the first global, business-driven, multi-industry anti-corruption initiative, now has 170 signatory companies.

“The hallmark of an ethical company is not that it has a pure record,” Boeckmann believes. “It's how you deal with the exceptions. And we have the systems in place to audit behaviors, to encourage employees to report misconduct and to take aggressive, appropriate action against those found guilty of it.”



Fluor has a lot to show for the first hundred years. Not least among them is an industry-recognized reputation for ethics. For more than 10 years Fluor's highest levels of leadership have spearheaded the fight against global corruption.

Good governance sets the *standard*



Alan Boeckmann

“... it's always been important but we're getting better and better at it.”

Holding everyone to high ethical standards starts in the boardroom with sound governance. Coble recalls that when he first joined Fluor, the board was largely an internal one. But in the 1980s the board moved toward greater independence and is now very diversified.

More recently, notes Boeckmann, requirements of the U.S. Sarbanes-Oxley Act of 2002 have informed governance at Fluor, just as at other public companies. “Governance is an evolving science at Fluor — it's always been important but we're getting better and better at it,” he says.

Many of these retired executives see good governance as being grounded in the same value system that includes an uncompromising commitment to ethical behavior and to compliance with laws and regulations. It is the bedrock of the company and the touchstone for a host of other factors that link to the company's sustainability.



Ethics has always directed how we do business. From the company's early leadership through today, there's never been a contract that was worth compromising Fluor's integrity.

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Strong values drive employee and workplace policies



Vince Kontny

*“The greatest opportunity for sustainability
is your employees.”*

Charlie Oliver, a former company group president, notes that Fluor remains deeply committed to employee training and development today. “As early as the mid- to late-1950s, Fluor decided to invest heavily in the development and training of employees to get them ready for advancement and the demands of their work,” he says. “This paid off... For instance, when the oil industry really opened up in the 1970s, employees were better prepared for the work Fluor was doing.”

This was a time of intense focus on employee development and training, as well as fair treatment of all employees — years before it was required by law. For example, in South Africa, where apartheid was still in force, Fluor was awarded a contract in 1975 to provide engineering, procurement and construction management for Sasol II, a sprawling synthetic fuel plant. Unlike its competitors at that time, Fluor hired local South Africans — 25,000 in all — and trained them to perform a multitude of jobs.



Charlie Oliver

Fluor expanded its international business and honed its expertise in tapping the local workforce in a particularly sustainable way, training tens of thousands of local nationals from developing countries.

Retired president and COO Vince Kontny concurs with this “employees first” concept, saying, “The greatest opportunity for sustainability is your employees. Everything else is quite secondary. If employees are happy, clients are happy, and then shareholders are happy.”

This emphasis on employees, always evident over time and at every Fluor location, took on many forms over the company’s history. At project sites around the globe, medical staff were available for employees; special attention went to providing local cuisine, fortified when need be with protein to sustain workers in physically demanding jobs; an emphasis on health and fitness instigated smoking cessation and weight loss programs, athletic fields and sports teams; and quality housing and sanitary facilities.

Safety first, with health and environment sharing center stage

“... an obsession.”

Already ingrained in the Fluor culture, safety became “an obsession,” according to Kontny, when Fluor acquired Daniel International, which had incorporated best safety practices from its client, DuPont. One custom initiated then was to begin each meeting with a safety topic, a practice that continues today, from job sites to board meetings.

Even when employees in some parts of the world balked at unfamiliar safety measures, Fluor held fast to its requirements. Summarizes Coble, “The money we spend on safety yields one of the greatest returns not only in human life but in our business. It just makes absolutely great sense to focus on health, safety and environment.”

That third leg — the environment — has also been part of Fluor’s legacy. Improving air and water quality and ensuring the affordability of environmental compliance have frequently been engineering and design elements of client projects.



While dozens of examples abound, Coble paints a dramatic picture of just one: “In the early 1970s, Saudi Arabia was flaring gas from their oil wells, which created serious air quality problems. The government there asked for our help in addressing this issue, and for the next seven years we designed and implemented a project that recovered liquids from the gas and helped create clean energy. By 1978, there were no flares, no smoke, and the effect on the local environment was very significant.”

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Being a responsible citizen, *throughout the world*



Jim Stein

“Wherever we’ve been, Fluor has been
a major player in the community.”

Contributing to the long-term care of the environment is not the only way Fluor supports communities and countries around the world. From the beginning, the company has put a premium on being a good corporate citizen. “Wherever we’ve been, Fluor has been a major player in the community,” says Stein.

Kontny is particularly gratified by Fluor’s deep commitment to United Way, a strong program in North America. Each week he visits a different United Way agency in Orange County, California. Fueled by his passion for that organization, he adds, “The best thing you can do is donate time.”

And that’s precisely what Fluor encourages employees at every level to do. Boeckmann had been with the company less than two weeks when he answered a call for volunteers to help build a playground for underserved children in California. His experience is mirrored in the activities of thousands of Fluor employees who raise hundreds of thousands of dollars for charity, volunteer to build houses, participate in disaster relief projects, renovate schools and tutor students.

The Fluor Foundation, founded in 1952, originally focused on education and scholarships, and that remains a priority today in the company’s employee volunteer efforts and corporate giving. Through sponsorships with local educational institutions, the company sparks students’ interest in mathematics and science — two subjects critical to all Fluor projects — and provides the building blocks for eventual careers in engineering and construction.



Leading the way in sustainability, *from the beginning*

“...Fluor stood its ground on ethical conduct
and the treatment of employees.”

This desire to distinguish Fluor, in every aspect of its conduct and performance has inspired the company and its people from the beginning. Fluor has stood out from the crowd in countless ways. In nearly every area of what today is categorized as sustainability, Fluor early and continuously exhibited a leadership and moral compass that set it apart from, and above, many other companies.



Fluor employees, no matter who they are or where they work, can expect fair and ethical treatment. Across time zones and cultures, Fluor has always stood proud to treat employees with dignity and respect, no exceptions.

Coble crystallizes this as he describes the Sasol II project: Fluor stood its ground on ethical conduct and the fair treatment of employees. He knows firsthand what a difference Fluor made there. Thirty-five years after the project was finished, he took his family to South Africa. One day while eating lunch, a gray-haired man approached them and asked if Hugh had worked for Fluor. Surprised, Hugh said yes he had. “I want to thank you,” the man said, and pulled from his wallet a certified welder card issued by Fluor. “This card allowed me to get work for 30 years and put my son through college. I want to thank you for training us.”

Overwhelmed at that moment and still plainly awed as he recounts it, Coble simply concludes, “Now that’s sustainability!”

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GREAT MOMENTS IN FLUOR SUSTAINABILITY HISTORY

In 2002, Fluor stepped forward to fight one of the greatest obstacles to global economic growth and sustainable development — bribery and corruption. Fluor's leadership led to the 2004 formation of the World Economic Forum's Partnering Against Corruption Initiative (PACI), the first global business-driven, multi-industry anti-corruption venture. Working collaboratively with nongovernmental agencies, such as Transparency International and the Basel Institute on Governance, PACI began the momentum of today's strong anti-corruption movement. In addition to PACI, Fluor also now has active leadership roles in the anti-corruption initiatives of the G20 and Asia-Pacific Economic Cooperation,

and serves on the global steering board to the Committee to Address Facilitation Payments, among other endeavors.

Fluor's Code of Business Conduct and Ethics is the centerpiece of the company's commitment to conducting its global business legally and with high standards of integrity.

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In today's competitive global business environment, a company's reputation increasingly can affect its bottom line. Shareholders, clients, communities and top employment talent all demand a corporate reputation characterized by responsible behavior.

Our business — the types of capital projects we execute, the locations where we work and the people who work for us — is constantly changing. On average each year, Fluor serves as many as 600 clients on more than 1,000 projects in 66 different countries. On each new project, we work hard to mitigate risks and spread our commitment to ethics and compliance everywhere we do business.

Fluor's well-respected reputation in the marketplace is driven by the integrity and determination of our employees. Recognizing that a single unethical act could jeopardize our standing with stakeholders and our bottom line, we maintain a comprehensive Ethics and Compliance Program. We strive to move beyond compliance with laws and regulations, approaching ethics issues proactively.

✦ 2.10 We are proud that our program continues to be acclaimed as world-class. In 2011, Fluor was recognized by *FORTUNE* magazine as one of the World's Most Admired Companies and, for the fifth consecutive year, by *Ethisphere* magazine as one of the World's Most Ethical Companies, among many other distinctions.

LEADING EXTERNAL ETHICS ENDEAVORS

✦ 4.12 First and foremost at Fluor, we leverage all of our internal successes to work productively with others and lead by example. We believe that collective action is critical to affect positive change, and our company is actively engaged in a number of initiatives focused on improving business standards worldwide. We continue to take a leadership role in many of these endeavors to achieve the goals of eliminating corruption and bribery, creating a level playing field for businesses, influencing future laws and regulations and improving public trust in global commerce.

In 2011, Fluor Chairman and CEO David Seaton chaired the B20/G20 Task Group on Corruption under the auspices of the World Economic Forum. Following a commitment made at its 2010 summit in South Korea, the G20, representing the world's 20 largest economies, invited global business to provide its perspectives on how corruption could be more effectively addressed. Led by Seaton, significant business recommendations were devised and presented to the G20 at its 2011 summit in Cannes, France. This cohesive collaboration between government and business resulted in

recommendations that were endorsed in the final declaration issued by the G20 following the 2011 summit. Based on this success, Seaton was asked to co-chair business input on corruption as part of the G20 process, which culminated with a B20/G20 summit in June 2012 in Los Cabos, Mexico.

During the year, Fluor also increased its involvement with the Asia-Pacific Economic Cooperation (APEC) by leading the APEC Small and Medium Enterprise Working Group's effort to develop a new engineering and construction industry code of conduct for small-to-medium enterprises in the region. This code, now called the Hanoi Principles, was

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In 2011, Fluor was recognized by *FORTUNE* magazine as one of the World's Most Admired Companies and, for the fifth consecutive year, by *Ethisphere* magazine as one of the World's Most Ethical Companies.

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endorsed by APEC leaders in November of 2011. The code is designed to assist regional engineering and construction companies to develop and implement workable guidelines to operate in an ethical manner. Not only will this work help Fluor by creating a pool of suppliers and contractors that meet Fluor's ethical standards, it will ultimately help fight the scourge of corruption that drains billions of dollars annually from needed infrastructure and social development.

Fluor continues its work on the World Economic Forum's Partnering Against Corruption Initiative (PACI). This is the first global business-driven, multi-industry, anti-corruption initiative focused on high-impact industry- and country-specific activities. Today, more than 170 companies are PACI signatories, and during the year, the initiative continued its important work on establishing

anti-corruption guidelines for companies operating in Mongolia's massive mining industry. PACI also is designing a voluntary initiative for third-party reviews of its signatories' anti-corruption programs to ensure their high standards and make improvements where appropriate.

In addition to PACI, Fluor serves in leadership roles on other WEF activities, including participation in its Global Agenda Council on Corruption.

In 2011, Fluor also joined the global steering board of the Committee to Address Facilitation Payments (CAFP) to tackle one of the most vexing compliance issues faced by companies working overseas today. Facilitation payments are sums of money given to foreign officials to expedite normal business transactions, such as clearing goods through customs or obtaining immigration work permits or visas. Currently, CAFP membership comprises companies primarily in energy-related industries. These multinational companies are working with a number of nongovernmental anti-corruption organizations to improve government processes, such as computer automation and clarifying fees, to reduce situations that potentially may involve demands for facilitation payments. Long term, CAFP plans to evolve into a cross-industry business initiative, with country-specific, risk-based action plans for eliminating demands for facilitation payments, while also promoting operational efficiency and country economic development.

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

ADVANCING INTERNAL INITIATIVES

Our meaningful collective action work begins with a rock-solid foundation at home. With integrity firmly established as one of the company's four core values, Fluor conducts its operations with meticulous fairness and uncompromising integrity. We advance a comprehensive ethics and compliance program that guides our directors, employees, business partners, suppliers and contractors. This dynamic program involves leadership and oversight, risk assessments, policies and procedures, extensive communication and training programs, as well as monitoring, reporting and other initiatives. Our work on this program is unrelenting, as we continue to improve it by monitoring developments in our business, our industry and the global landscape, and by benchmarking best practices.

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RISK MANAGEMENT

➤ **502** Working in an industry with a fluid project base and quickly evolving risks, Fluor employs robust risk-management programs throughout the entire company. We utilize a formalized and systematic process for assessing, managing and monitoring the company's business risks, including those for projects, investments and acquisitions. For both our own company and our clients, the job of managing risk begins when a project is still a prospect. The best approach is to seek out the "root causes" of things that may go wrong during project execution. Sometimes the decision is made to not pursue a project because we determine it cannot be done without paying bribes, for instance. We proactively develop and closely monitor mitigation strategies of risks that could affect our valued stakeholders.

➤ **4.17** During 2011, we again engaged the Corporate Executive Board's Compliance and Ethics Leadership Council (CELC), as we had in 2009, to measure the company's ethical culture and susceptibility to misconduct. Utilizing its Risk Clarity assessment module, the survey was rolled out to a sample of Fluor's employee population from different business groups, functions, levels and geographic regions. CELC provides an Integrity Index score, to serve as a proxy for ethical climate, by gauging our employees' answers to 18 questions around the areas of comfort speaking up,

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organizational justice, direct manager leadership, tone at the top, openness of communication, departmental climate and clarity of expectations, relative to its benchmark for other companies and industry peers. CELC's analysis of results determined that Fluor's 2011 "Most Favorable" Integrity Index score was greater than CELC's benchmark. Seventy three percent of Fluor respondents, as opposed to CELC's benchmark of 65 percent, either agree or strongly agree to all 18 questions and have the most favorable opinions about integrity within the company.

CODE OF BUSINESS CONDUCT AND ETHICS

4.8 & EC1 Fluor's Code of Business Conduct and Ethics is the centerpiece of the company's commitment to conducting its global business legally and with high standards of integrity. It serves as a resource for employees to use when they need information or guidance before making a decision or taking an action. In 2011, our recently refreshed Code received accolades from *Ethisphere* magazine, receiving an "A" in seven of the eight categories assessed, and a "B+" in the eighth. Also in 2011, we translated our Code into Arabic, Chinese, Dutch and Russian, bringing the total number of languages in which our Code is available to seven. Continuous efforts are made to ensure Fluor's Code represents best practices in ethics and compliance, resulting in our company's strong performance in always doing the right thing.

In 2011, we updated our Code of Conduct and Expectations for Suppliers and Contractors. We require our business partners to follow our high expectations for ethics and compliance in their own organizations and with their own supply chains. We conduct due diligence when selecting suppliers and contractors, and continuously monitor any red flags during our business relationship.

TRAINING

Training is one of the most critical components for the success of any ethics and compliance program. Fluor's comprehensive training program has a multi-topic curriculum to ensure employees understand the risks that apply to their position and comply with the related Fluor policies and practices.

503 In 2011, nearly 7,400 Code-training completions by new employees were added, bringing our total reach to more than 48,000 since initial deployment. One hundred percent of 2011 salaried employees worldwide were trained on the Code. This training emphasizes our anti-corruption program among other key risk areas. An additional 700 employees participated in other specialty, web-based training modules in 2011. Face-to-face training classes included project-specific, anti-corruption training, as well as those focused on ethics and compliance risk areas for employees at large. Other initiatives completed in 2011 included creating a new ethics and compliance training website in seven languages, with a new curriculum of ethics and compliance courses to be offered to employees in 2012.

MONITORING

Fluor again conducted its annual Code of Business Conduct and Ethics Certification in 2011. One hundred percent of the company's employees confirmed their understanding of and commitment to adhere to the Code. A key purpose of this practice is to give employees an additional opportunity to disclose ethical concerns or any potential conflicts of interest.

Additionally, Fluor's Internal Audit team conducted its annual review of our adherence to anti-corruption standards through its regular and special audits throughout the world, as well as review of our ethics and compliance program.

IN FOCUS

In 2011, nearly 7,400 Code-training completions by new employees were added, bringing our total reach to

48,000⁺ since initial deployment.

IN FOCUS

100% of 2011 salaried employees worldwide were trained on the Code.

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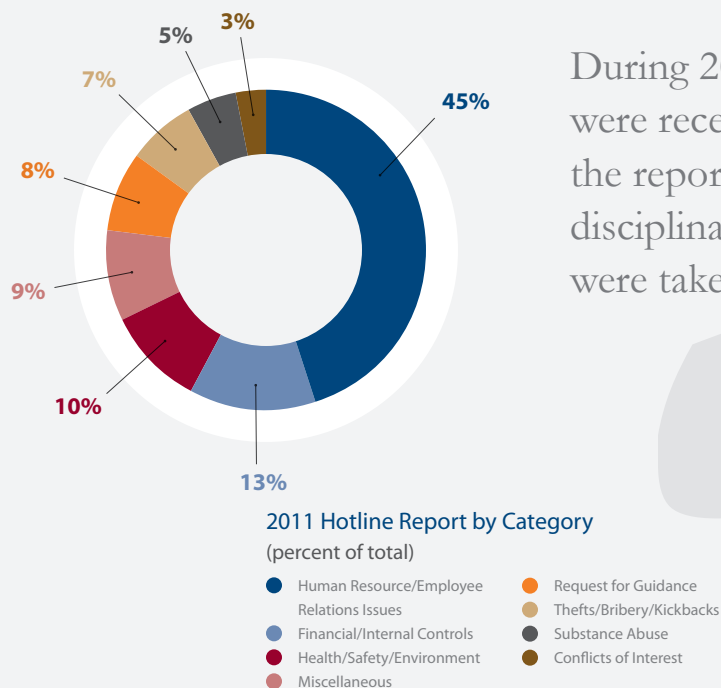
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During 2011, a total of 868 reports were received. In all cases where the reports were substantiated, disciplinary and/or corrective actions were taken.



COMMUNICATIONS AND RECOGNITION

Our strong culture of integrity is among our most valuable assets. Therefore sustaining a comprehensive communications program about the proper standards of conduct, ethics and compliance for both internal and external audiences is essential.

Company leadership stressed the importance of ethics to our employees through a variety of communication channels during 2011, including face-to-face meetings, videos, web conferences, e-mails, newsletters and Fluor's robust Ethics and Compliance intranet site. We also initiated a "Speak Up" campaign to further promote raising concerns through Fluor's open-door policy and expanded hotline capabilities.

For our external stakeholders, executives participated in several speaking engagements during 2011, many of which were shared with employees via our intranet site. Fluor experts in ethics and compliance spoke at forums including APEC's Business Advisory Council Symposium; the European Construction Institute's Autumn Forum; the National Legal Summit on Iraq and Afghanistan Contracting; California Polytechnic State University's Orfalea College of Business, in addition to many meetings with the World Economic Forum's Partnering Against Corruption Initiative.

REPORTING

It is of utmost importance to Fluor that employees are not reluctant to report concerns about suspected unethical, illegal or improper behavior. In addition to having the opportunity to speak with their immediate supervisor, others in management, Human Resources, or an investigating department, our company has in place an anonymous, toll-free Compliance and Ethics Hotline, including website-reporting mechanisms, to facilitate employee reporting around the globe. **S04** During 2011, a total of 868 reports were received. In all cases where the reports were substantiated, disciplinary and/or corrective actions were taken.

Clients, business partners, subcontractors and suppliers also are encouraged to use Fluor's Compliance and Ethics Hotline to report any suspected misconduct. Managed by a third-party company, our hotline is available 24 hours a day, seven days a week, with translation/interpretation support in over 180 languages.

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Governance

Fluor's dedication to sound corporate governance begins with strong Board leadership and an independent and fully informed Board of Directors.

GREAT MOMENTS IN FLUOR SUSTAINABILITY HISTORY

In 1942, Fluor published its first annual report, with just five pages of text and one graph. This was a major step forward in the company's effort to promote transparency and accountability to its interested stakeholders. Seventy years later, Fluor's annual reports are far more comprehensive, with full disclosure of the company's global activities and financial performance. They provide details about recent achievements and the company's strategic direction for the future.

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Governance

Fluor has adopted corporate governance principles that promote fairness, transparency, responsiveness and accountability, and reflect our strong business integrity. In this time of increased focus on corporate governance and heightened regulatory oversight, we strive to develop governance policies and practices that earn the confidence and trust of our stakeholders, while also supporting the long-term success of the company.

During the last five years alone, the number of changes the company has made to our governance principles is truly indicative of our commitment to shareholder accountability. In 2011, Fluor focused on a number of key initiatives to support our continuous improvement in corporate governance and to further strengthen our alliance with valued stakeholders.

LEADERSHIP TRANSITIONS

In February 2011, Alan L. Boeckmann retired as Fluor's chief executive officer (CEO). With the Board's full confidence, David T. Seaton was elected to succeed Boeckmann, first as CEO in 2011 and then also as chairman of the Board in February 2012. Having joined Fluor in 1984, Seaton is Fluor's 12th CEO in the company's 100-year history, with exceptional operational and sales experience in leading the company's Energy & Chemicals, Power and Government groups and activities in China and the Middle East, as well as serving as Fluor's chief operating officer.

BOARD LEADERSHIP AND INDEPENDENCE

4.2 Fluor's dedication to sound corporate governance begins with strong Board leadership and an independent and fully informed Board of Directors.

The Board believes that Seaton, who has the 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 company also believes the role of a lead independent director is useful in promoting good Board governance when the company has a non-independent chairman. Peter Fluor, one of the Board's independent directors, is currently serving in this role for a three-year term, ending in 2015. His primary responsibility is to preside over and set the agenda for all executive sessions of the Board. He also approves meeting agendas and information sent to the directors, leads Board meetings in the chairman's absence, acts as a liaison between the chairman and independent directors, provides guidance on the orientation process for new Board members, provides consultation and communications to shareholders as appropriate, and monitors communication to the Board 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.

4.3 The Board believes that its current structure provides independent Board leadership and engagement, while also deriving the benefit of having the company's CEO serve as the chairman. Excluding Seaton, all directors 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 & Compensation Committees is composed entirely

of independent directors who oversee critical matters, such as the remuneration policy for executive officers, succession planning, corporate governance guidelines, policies and practices, the director nominations process, corporate finance strategies and initiatives, and

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the integrity of the company's financial statements and internal controls over financial reporting.

BOARD COMPOSITION

✦ 4.7 Fluor's Board believes that its directors should possess a diverse range of experience to give the Board depth and breadth for the benefit of company shareholders. Accordingly, the Board and its Governance Committee consider the qualifications of current directors and director nominees both individually and in the broader context of the Board's overall composition, as well as the company's current and future needs. Fluor's directors have experience in industries in which the company operates or particular skills that are beneficial to the company, such as knowledge of financial matters, risk oversight, compliance, government contracting and familiarity with non-U.S. markets.

✦ 4.10 To ensure Board members continue to have the skills desired by the Board and that will best serve Fluor's shareholders, each director who is one year away from reelection is evaluated by the chairs of the committees upon which that director serves. These evaluations are used by the lead independent director to provide feedback on individual performance.

✦ 4.6 Fluor's Board also has policies and procedures in place to ensure that conflicts of interest are avoided, requiring directors to promptly disclose any situation that may involve a conflict with Fluor. In addition, the company has a written policy regarding Governance Committee approval of certain transactions that exceed \$100,000.

BOARD OVERSIGHT

✦ 4.9 As part of its oversight stewardship, the Board monitors how management operates the company. When approving strategies and granting other authority to management, the Board considers, among other things, the risks and vulnerabilities the company faces. When appropriate, it delegates oversight of certain risks to the Board's committees, which monitor and report on them each quarter to the Board. In addition, directors annually discuss specific risks related to Fluor's business strategy at the Board's June meeting.

RESPONSIVENESS TO SHAREHOLDER INITIATIVES

✦ 4.4 Fluor's Board is dedicated to sound governance, proactively making modifications as needed. Corporate Governance Guidelines and committee charters, along with other Board policies, are regularly reviewed and updated in response to changing regulations and stakeholder concerns.

In 2011, the Board implemented two shareholder initiatives. The first was to declassify the Board, resulting in one-year terms of service and annual reelections for directors, with full Board declassification to be effective by the 2014 Annual Meeting of Shareholders. The second was to replace the supermajority voting requirements with a majority voting standard, allowing shareholders holding a majority of the outstanding shares of Fluor common stock to take corporate actions.

In addition, in December 2011, the Board took further action to implement best governance practices by recommending amendments to the company's certificate of incorporation that will increase shareholder rights. The proposed amendments, as approved by shareholders in May 2012 and now fully implemented, grant shareholders holding at least 25 percent of the outstanding shares of Fluor common stock the right to call a special meeting of shareholders, subject to certain limitations to mitigate disruptions on normal business operations. The Board believes these changes are consistent with best corporate governance practices and will enhance shareholder rights and Board accountability.

These initiatives, together with other updates made by the Board to the company's governance documents in 2011, promote good corporate governance and the company's desire to remain accountable to its shareholders. As evidence of the Board's commitment to stakeholder engagement and responsiveness, the company engages with shareholders on a number of governance issues, including executive compensation. The Board considers all appropriate stakeholder recommendations and proposals and will take any steps needed to further improve the company's standards, controls and accountabilities. At Fluor, we are committed to understanding the interests, concerns and needs of our stakeholders and to developing and maintaining relationships that are transparent, productive and mutually beneficial.

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GREAT MOMENTS IN FLUOR SUSTAINABILITY HISTORY

With the creation of Fluor University in 2008, Fluor founded a virtual campus that offers employees working at sites and offices around the globe the same access to world-class training. Subject-matter experts lead hundreds of courses, offered in traditional classrooms, video distance learning (VDL) or online, to help employees increase their knowledge and skill levels and advance their careers. VDL technology allows employees to collaborate in real-time interactions, and it reduces training costs and the company's carbon footprint by decreasing travel requirements and the need for office resources. And it contributes to increased productivity and improved organizational performance.

One example of the multiple, sustained benefits of Fluor University and its adoption of VDL is the Operations & Maintenance Planning Training launched in 2011. Fluor's highly skilled and experienced maintenance planners have long been key differentiators in the marketplace, and for decades they travelled to Fluor sites all over the world to train other employees. Partnering with Fluor University, they converted their classroom-based material into the new VDL format, thus making this competitive advantage skill readily accessible to employees everywhere and keeping the maintenance planners more productive.



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Today, developing people is a central component of our talent management strategy. We offer an array of learning opportunities for employees across the organization.

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MANAGING PEOPLE FOR PERFORMANCE AND GROWTH

Fluor's Human Resources management philosophy and approach concentrate on creating competitive advantage through designing and instituting effective people management practices. To accomplish this, Fluor focuses on serving business demands by sourcing, developing and retaining the best talent for our projects; providing opportunities for people to develop strong business and technical skills; sustaining a strong talent pipeline through succession planning; and maintaining an inclusive workplace where employees in every location can contribute their talents and ideas.

In order to build upon the vast diversity of our employees' skills and abilities, we operate a safe environment that is free from discrimination or disadvantage based on differences. The company's policy is to recruit, hire, develop and retain employees based on their experiences, qualifications and other job related criteria, without regard to race, color, age, sex, sexual orientation, religion, national origin, disability, veteran status, genetic information or any other criteria protected by federal or state law.

Fluor embeds practices related to advancing an inclusive culture throughout the organization. From including topics within training courses to fostering employee communication, knowledge sharing and collaboration, we believe a globally integrated approach to working with a diverse workforce is essential to building a strong and versatile organization. Details for specific programs in 2011 can be found in the GRI Index, [LA13](#).

[HR6, HR7](#) We comply with all local employment laws and abide by all principles of the United Nations Global Compact, to which Fluor is a signatory. None of our operations has been identified as having significant risks for either child labor or forced or compulsory labor.

SOURCING TALENT TO STAFF AND SUPPORT PROJECTS

In 2011, Fluor deployed the pilot phase of its new Alumni Network, an internally operated social computing tool that enables Fluor to stay in contact with its alumni. This online portal connects all employment activities for users, offering a private career portal that recognizes their prior company experience. By integrating with Fluor's online recruiting system, Fluor recruiters and hiring managers can easily source Fluor alumni. The pilot was launched in three locations: Greenville, South Carolina, United States; Calgary, Alberta, Canada; and Farnborough, United Kingdom.

To augment recruiting efforts, Fluor China reinforced its internal referral program for critical and urgent, required positions.

Additionally, our global mobility program was improved to accelerate opportunities for non-Western employees to participate in international assignments.

Finally, in 2011, Fluor centralized sourcing efforts by instituting a Global Recruiting organization to support staffing needs for projects and offices and to develop tools and processes to reinforce recruiting functions.

FLUOR'S MANAGEMENT PHILOSOPHY

Fluor's management philosophy for creating a sustainable workforce involves:

Maintaining

a workplace where employees from different backgrounds and geographic locations can flourish.

Standardizing

our core people-management processes to benefit recruiting, hiring and retention.

Aligning

all employees with our business objectives through effective communication strategies and practices.

Building

employee agility through training, development, networking and mobilizing our workforce to serve our clients.

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To continue to sustain our knowledge about our employee population, Fluor's Human Capital Management system established in 2010 is almost complete, with 95 percent of all employee records now housed in a centralized electronic data management system. This facilitates the difficult task of reporting and providing analytics in a globally diverse organization. The few remaining locations will migrate in 2012.

DESIGNING COMPETITIVE TOTAL COMPENSATION TO RETAIN FLUOR'S TALENT

➤ **LA3** At Fluor, total compensation comprises employee wages and benefits that reflect competitive local market and industry standards. To this end, we structure our compensation profiles to reflect salaries, performance and equity across job content. Benefits are reviewed annually to ensure they are competitive with local market offerings.

In a culture where safety is the number one priority, Fluor believes that offering employees opportunities to learn about preventative healthcare measures is an essential component of our benefits program. Wellness initiatives that are locally and culturally relevant are available to employees through local Fluor offices or projects.

Wellness initiatives that are locally and culturally relevant are available to employees through local Fluor offices or projects.

DEVELOPING FLUOR TALENT TO BUILD ON OUR STRENGTHS

In the mid-1950s, one of Fluor's early innovations in training addressed the shortage of qualified designers. Today, developing people is a central component of our talent management strategy. We offer an array of learning opportunities for employees across the organization.

Fluor established its first Growing Representation and Opportunities for Women (GROWSM) employee network group in 2010 with the objective of fostering the ability

COMPLETED TRAINING HOURS

- 105,282 were classroom hours with 20,139 classroom courses completed;
- 132,996 were online hours with 68,793 online courses and 15,301 online knowledge tests completed;
- 21,895 were distance learning hours, either through Fluor University's new video distance learning classes or webinars, with 1,758 video distance learning participants and 5,460 webinar participants; and
- 168,857 were informal training hours with 60,586 informal learning opportunities completed.

to leverage the complementary skill sets of women and men who are working together at all levels of the business. As of December 31, 2011, 12 active GROW chapters in 10 countries, representing Asia, Europe and North America, were established. Several new chapters of GROW are expected to become active in 2012.

In 2011, Fluor updated its Performance Assessment and optional Career Development Plan system. A tool used for measuring all employees on 12 essential core skills, this electronic system standardizes the assessment process across the

organization. It facilitates employee and supervisor performance discussions, and all eligible employees are expected to participate in this process annually. In 2011, 97 percent of all eligible employees were assessed.

Also in 2011, Fluor reviewed and revised its development frameworks or roadmaps for career advancement. All engineering discipline frameworks were updated to include knowledge tests that can be used to assess employee understanding of that function's practices and procedures. Now, 52 development frameworks are available online through

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Fluor University. Listed on all frameworks is a series of 10 required training courses. These courses relate to Code of Business Conduct, Diversity and Inclusion, HSE Management and Project Execution at Fluor. Frameworks are reviewed annually to ensure they remain current.

➤ **LA10** Fluor's 2011 global records indicate employees completed a total of 429,030 training hours. These include online courses, video distance learning classes, webinars, traditional in-class training and informal sessions, such as "Lunch & Learn" meetings and additional presentations. See Completed Training Hours graphic on page 26.

The implementation of video distance learning presented significant savings for the company in 2011.

- Estimated cost per participant to conduct traditional instructor led training was \$500.
- Estimated cost per participant for video distance learning was \$50.
- Estimated average cost savings per student was \$450.
- Estimated total savings for 1,758 video distance learning participants was approximately \$791,000.

Sourcing and training local talent for projects is critical to sustaining Fluor's workforce, since our projects span the globe. Initiatives in 2011 for training local talent included a construction training program instituted in Peru, increased development programs in Afghanistan and a site training program for Construction Management Essentials in Chile.

To address leadership training, Fluor updated its executive leadership program offerings. Access to Harvard Leadership Direct, an online learning, collaboration and networking platform designed to develop critical skills for leaders, was added. Currently, Fluor is working with Harvard to co-develop programs that address the company's 12 core skills.

Supporting leaders is only one part of the development equation that feeds into our succession management plan. In 2011, Fluor completed all succession plans. Designed to identify global talent gaps and development opportunities, this process will build and grow leadership skills at Fluor.

FLUOR RECOGNIZED AS TOP NORTH AMERICAN COMPANY FOR LEADERS

During 2011, Fluor was named one of the 25 Top North American Companies for Leaders in a study conducted by Aon Hewitt, research that is widely considered as the most comprehensive report of corporate leadership in the world and traces the link between leaders and financial results.

ENGAGING GLOBAL EMPLOYEES TO IMPROVE WORKPLACE PRACTICES

Fluor's Employee Engagement Survey, successfully completed in 2010 to capture and evaluate employee perceptions about 22 engagement drivers, was reviewed with employees in 2011. Four improvement drivers were targeted for corporate-led action. Multinational teams developed plans to further enhance company practices in the areas of career opportunities, managing performance, employee/brand alignment and recognition. Local office, business group, functional and departmental teams also worked on improvement drivers specific to their respective areas. Many of these actions will be implemented in 2012.

Fluor's commitment to people has remained steadfast throughout the company's 100-year history. With an intense talent development focus, a commitment to creating an inclusive, collaborative environment and a strong desire to serve clients worldwide by sourcing the best talent for their projects, we make people the center of our organization, knowing that their expertise and dedication will drive our future success.

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Our experts are dedicated to bettering
our industry's sustainability performance
and impact by sharing our knowledge
and experience with others.

Health, Safety & Environment



GREAT MOMENTS IN FLUOR SUSTAINABILITY HISTORY

As builders of the world's infrastructure, our employees know the importance of their work. Our business is conducted in ways to meet the needs of our clients and stakeholders today, while protecting and enhancing the human and natural resources that will be needed tomorrow. In 2004, Fluor amalgamated the extensive knowledge it has gained over a hundred years working around the world to shape and execute an integrated, world-class Health, Safety & Environmental program. It involves protecting the safety of all our employees and the general public through a ZERO IncidentsSM program, and addressing both the environmental and health impacts of our operations by reducing waste, emissions and discharges and by using energy efficiently. Through this comprehensive program, we regularly perform impact assessments, work to successfully manage risks and continue to monitor advancements in sustainable environmental solutions for the benefit of our clients and the ecosystems in the communities where we work.

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At Fluor, we believe it is our responsibility to balance the needs of global development with the well-being of our employees, clients, subcontractors, communities and the environment. The successful execution of complex projects delivered in a safe and environmentally sound manner is our top priority.

Our comprehensive HSE goals, including one for ZERO Incidents, stretch us to continuously improve our performance. As our client work today takes us to new regions across the globe, we apply our corporate value of Excellence to all of our activities to ensure we prevent harm to any individual, minimize the impact of our operations on the environment and ensure compliance with new and ever-changing standards and regulations.

Fluor has a creative and committed group of HSE professionals — more than 750 in all — working around the world to ensure the company's HSE procedures are being fully utilized. These experts specialize in areas such as process safety; fire protection; environmental permitting and impact assessments; environmental modeling; environmental monitoring; industrial hygiene; sustainability and field operations, all for the benefit of our clients.

► **PR1** Our proven HSE Management System, comparable to ISO 14001, OHSAS 18001 and the U.S. Occupational Safety & Health Administration Voluntary Protection Program, integrates the highest international standards into each project phase and verifies our consistent and complete performance. Our execution processes and HSE Management System are continually reviewed in order to make enhancements so that we may apply the best practices across all of our global operations.

LEADING OUR INDUSTRY ...

Fluor's interest in HSE matters extends far beyond our own operations. Our experts are dedicated to bettering our industry's sustainability performance and impact by sharing our knowledge and experience with others.

Our company has collaborative partnerships with a number of industry research and informational organizations. Fluor has committed resources to the Center for Chemical Process Safety's research projects and actively supports the National Safety Council's efforts to develop and promote safety programs for

employees and subcontractors. Our employees also chair the Construction Industry Institute's Safety Community of Practice, serve on the Institute's Sustainability of Practice, and are directly involved in developing the American Society of Civil Engineers' Sustainable Engineering Certification Program.

In 2011, Fluor took a lead role in a collaborative initiative to improve the overall health, safety and welfare of workers in South Africa's construction industry. Named BuildSafe South Africa (BSA), the initiative focuses on preventing accidents by raising awareness of potential dangers and better communicating lessons learned throughout the construction industry. A similar initiative has been successful in the United Arab Emirates, and leaders of BSA, including Fluor's Shane van der Nest, envision expanding the success of this program to other countries worldwide.

... ONE INDIVIDUAL AT A TIME

Fluor Senior Vice President Bob Prieto was named a member of the National Academy of Construction in 2011. His election citation noted his "distinguished career as a leader, innovator, published author and engineer. He has contributed broadly and richly throughout the industry." Prieto also was honored with Polytechnic Institute of New York University's Distinguished Alumnus Award.

By the end of 2011, Fluor increased its number of employees who are accredited in the U.S. Green Building Council's Leadership in Energy and Environmental Design program to 44, many with hard-earned specializations in improving energy efficiency and in designing and operating facilities in a more sustainable manner. Additionally, Bobby Day was certified as an International Facility Management Association Sustainability Facility Professional — Fluor's first in this new specialty area.

In 2011, the company appointed Jeffrey Goetz as a new HSE Fellow, a prestigious honor recognizing his

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exceptional intelligence and acumen in sustainability and energy management. Goetz joins 29 other Fellows, including three who specialize in HSE matters, and 27 Senior Fellows within the company.

Twenty years ago, Fluor established its Silver Cross Award Program to recognize employees who have acted in a life-saving manner and assisted others in distress either on or off the job. In 2011, 36 employees earned Silver Cross Awards, bringing the total number of recipients to 278. We thank them for their heroic efforts.

GETTING THE WORD OUT, AGAIN AND AGAIN

LA8 Fluor's strong HSE track record comes from our management team's visible leadership and commitment to these matters, which encourages employees to take personal responsibility for themselves and their coworkers. Effective, year-round communications and training programs are critical components in keeping HSE top of mind with our workforce.

During 2011, a wide variety of communications media — alerts, intranet articles and publications — as well as campaigns, contests and events, were used to ensure employee engagement in HSE matters. Nearly 4,000 individuals participated in 107 face-to-face training courses, while an additional 11,000 employees learned through the company's online instructional courses.

HEALTH AND SAFETY

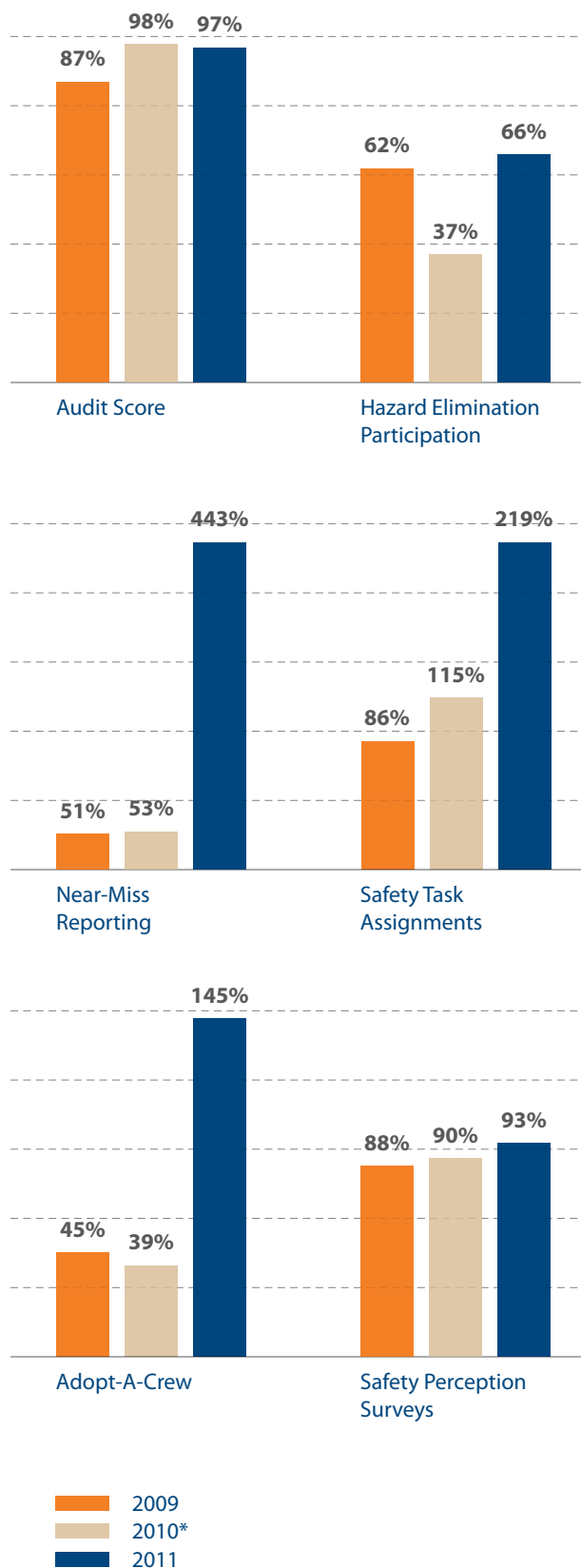
We know that it is our employees who empower Fluor's success, and as such, we never lose sight of the fact that the numbers reflected in our health and safety statistics represent real people. Fluor's approach is derived from a combination of bedrock principles and extensive knowledge obtained over many decades of experience. Successfully managing these issues to the lowest possible risk levels is an essential component of our strategy and integral to the way we do business.

Fluor continues to be recognized as one of the safest contractors in the engineering and construction industry, and we believe that any incident is unacceptable and should be preventable. Consequently, we thoroughly evaluate any cases that may occur to immediately identify areas for improvement.

A PROACTIVE PROGRAM THAT DELIVERS RESULTS

Fluor's proprietary Managing Safety to Zero (MS₂0SM) program tracks leading and trailing indicators, such as daily audits, near-miss incidents and hazards eliminated, in real time for the purpose of proactively improving working conditions and reducing incidents. This program is used globally with success in multiple countries and with multiple clients.

MS₂0 LEADING INDICATOR METRICS



* 2010 percentage restated to reflect data received after the 2010 Sustainability Report was published.

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In 2011, project utilization of MS₂0 more than doubled from 2010 with an excess of 70 projects taking advantage of this unique tool during the year. Key upgrades completed included modules that measure the severity/risk potential assignment of near-miss incidents and week-by-week trending performance. These new advances allow projects to identify risks and take preventive actions sooner.

Overall, MS₂0 was successful in showing improvements in daily audits, hazard elimination participation, near-miss reporting, Adopt-A-Crew, Safety Task Assignments and overall safety perception survey results. Other safety programs, such as management walkabouts, had 100-percent participation levels and achieved established goals. The higher percentages of the indicators shown in the chart demonstrate proactivity of project personnel in managing site safety.

At the end of 2011, active projects using MS₂0 performed more than 170 million hours with a combined Total Recordable Case Incident Rate of just 0.10.

2011 HEALTH AND SAFETY PERFORMANCE

➤ **LA7** Despite the breadth and complexity of Fluor's global operations, the company continued to sustain a strong safety record in 2011, with total work hours increasing 25 percent to 317 million. Our office and field performance (representing both self-perform and subcontractors) experienced 0.05 lost workday incidents per 200,000 global hours worked, an uptick from 2010, but performed within our goals for both total recordable case incidence rate and restricted workday case rate.

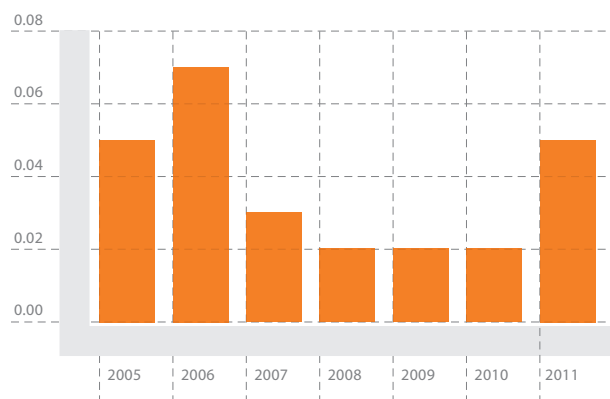
Regrettably, two Fluor employees died in work-related incidents in 2011. To address these events, we have strengthened our review process and will continue to improve the practices and procedures that focus on specific preventative actions. Through our work in supporting the U.S. military in Afghanistan, an additional seven employees and two subcontractor employees were killed in war-related events. Our employees' safety in Afghanistan is a top priority, and we are working closely with the military to mitigate future risks.

In 2011, our Global Information Management System became the mandated reporting system for tracking and trending all types of incidents, from first-aid cases and near misses to fatalities and motor-vehicle accidents. Full utilization of this system has resulted in more timely and accurate reporting, while allowing for customized training initiatives based on data results.

As an example of how our employees are proactively managing safety issues, our AMECO business group,

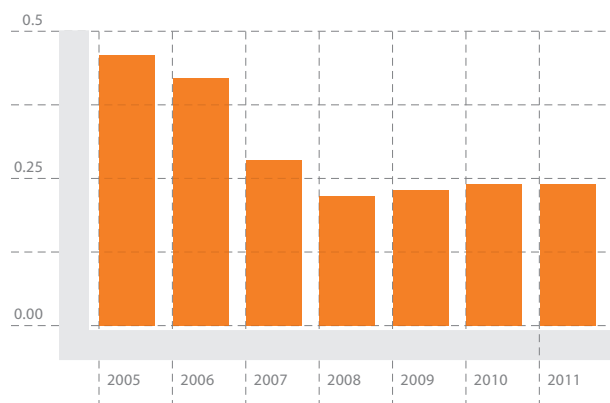
LOST WORKDAY CASES

(with days away) per 200,000 hours worked



TOTAL RECORDABLE CASES

per 200,000 hours worked



Restricted workday case incidence rate
(days restricted or transfer, RWIR) = 0.04

which fulfills the majority of Fluor's worldwide fleet and equipment requirements, implemented a defensive driver-training program at all locations globally. Initial results showed a 14-percent decrease in total auto incidents and a significant reduction in direct cost.

THE ENVIRONMENT

Fluor employees apply their leading-edge technical skills to contribute to greater sustainability in the communities where we work. We champion HSE practices across all of our operations and monitor advancements in sustainable environmental solutions for the benefit of our clients and society at large. At all of our facilities worldwide, we proactively work to maximize energy efficiency, conserve natural resources and minimize pollution and waste.

➤ **EN23, EN28** We remain steadfastly committed to the United Nations Global Compact's environmental Principles 7 through 9. For the seventh consecutive year

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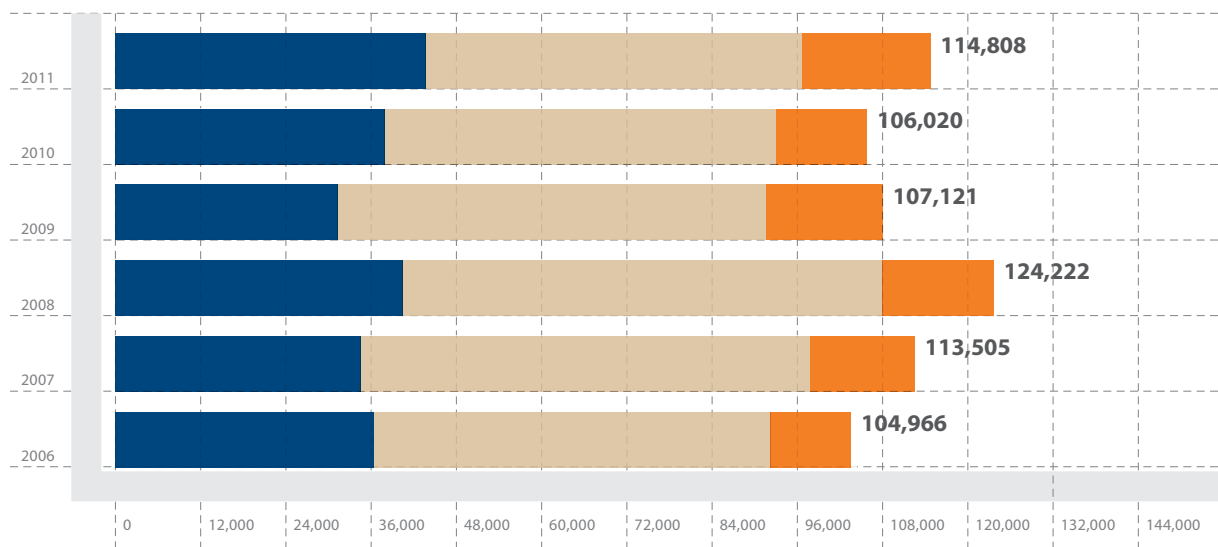
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FLUOR'S CARBON FOOTPRINT

tCO₂e = metric tons of carbon dioxide (in thousands of metric tons)



As a provider of engineering and construction services for capital projects around the world, the number of projects Fluor executes each year influences its greenhouse gas (GHG) emission totals. As illustrated in the chart above, the company's GHG emissions increased in 2006 through 2008, when a stronger economy pushed global development. Conversely, GHG emissions decreased in 2009 and 2010, following the start of the global recession. With the economic recovery now well underway, clients made more capital investments during 2011, and as a result, Fluor's project revenues increased in 2011, as did its GHG emissions.

- SCOPE 1**
direct greenhouse gas emissions
- SCOPE 2**
indirect greenhouse gas emissions from consumption of purchased electricity, heat or steam
- SCOPE 3**
other indirect greenhouse gas emissions, such as travel

since the company began tracking these data in 2004, we received no Notices of Violation for environmental issues and no resulting monetary or other sanctions for non-compliance. In addition, Fluor had no significant spills in 2011.

WORKING TO SHRINK OUR FOOTPRINT ON THE ENVIRONMENT

EN16 Fluor implemented a global carbon footprint initiative in 2006, establishing a baseline set of measurements for our offices, fleets at those offices and air travel, but not including client sites. Now with six years of data collected and analyzed, our annual process of measuring and reporting our facilities' carbon footprint provides valuable information to aid in effectively managing them in an environmentally responsible manner.

Equivalent carbon dioxide (CO₂e) is the metric that Fluor uses to quantify its greenhouse gas (GHG) emissions from facilities. CO₂e is the typical measure for describing how much a given type and amount of GHG (e.g., carbon dioxide (CO₂), methane, nitrous oxide, ozone and chlorofluorocarbons) may influence the

We champion HSE practices across all of our operations and monitor advancements in sustainable environmental solutions for the benefit of our clients and society at large.

greenhouse effect, using the functionally equivalent amount or concentration of CO₂ as the reference.

A better indicator of Fluor's GHG emissions and the impact of efficiency measures is depicted when the absolute GHG emissions are normalized by revenue. The chart on page 33 clearly shows the effect of energy-efficiency initiatives, with steady reductions each year from 2006 through 2009. The plateau in 2010 and 2011 highlights the challenge of continuing to reduce emissions, since even with such initiatives as retrofits of lighting and upgrades of HVAC systems and computer centers, there is a base level of emissions. While Fluor's energy-efficiency efforts have achieved an impressive 34-percent reduction in our normalized carbon footprint over this six-year period, the company continues to evaluate opportunities to enhance sustainability innovation throughout all of our facilities.

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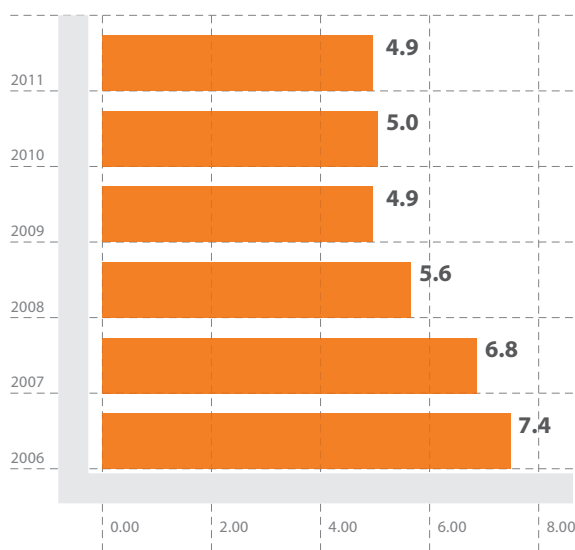
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GHG EMISSION NORMALIZED BY REVENUE

per year



4.12 To drive accountability and ensure transparency in our global operations, we proactively release our GHG emission information to our stakeholders and the Carbon Disclosure Project, the world's largest database of corporate climate change information for use by financial and policy decision makers.

MANAGING OUR FOOTPRINT IN OUR OWN FACILITIES

Fluor's efforts to lower operating costs, improve energy efficiency and integrate environmentally friendly solutions into our operations start in our own offices and facilities around the world. We work to meet and exceed the standards set by leading sustainability organizations. Several of our facilities, including those in Anchorage, Dallas and Santiago, have received the U.S. Green Building Council's Leadership in Energy and Environmental Design certification. One of our offices in Southern California joined our South Carolina office

in earning the U.S. Environmental Protection Agency's ENERGY STAR® certification. Likewise, our operations across Australia were recognized by the National Australian Built Environmental Rating System for energy and water conservation, and in Vancouver, our facilities have met best-in-class building environmental standards set by the Building Owners and Managers Association. Fluor also received an energy performance certificate from the U.K. Government for operating better than its consummate benchmark. These recognitions help enhance our company's reputation with clients that are looking to identify, design and build green standards into their own facilities.

ENERGY EFFICIENCY AND CONSERVATION EFFORTS

EN5, EN18, EN7 From 2006 through 2011, our energy-efficiency activities have helped us manage the amount of carbon emissions generated at our global facilities. With almost 8 million square feet of office space in 27 countries, voluntary and diverse conservation, energy-efficiency and green initiatives are providing cost-effective solutions and contributing significant value to the company. In 2011, we reduced energy consumption by more than 13 million kilowatt-hours or 1.6 kilowatt-hours per square foot.

These reductions occurred through integrating a variety of energy-efficiency and conservation best practices into our everyday operations. Key reductions were achieved in heating, ventilating and air conditioning system replacements and enhancements; energy management system implementation; lighting retrofits; and consolidation of office space, computer servers and data centers, among other improvements. For example, our Houston office installed two premium efficiency chillers and five new pumps that saved over 1.1 million kilowatt-hours of electricity. The company

IN 2011 FLUOR RECYCLED

Fluor recycled approximately
85,200 aluminum cans
weighing
2,662 pounds.

Equivalent to*

- 195 100-watt light bulbs running for one year
- Almost two years of electricity for one average home
- The conservation of 2,214 gallons of oil

Recycling aluminum requires 95 percent less energy than producing aluminum from raw materials. Why? The process of creating new aluminum from raw materials is a significantly energy-intensive process from mining the mineral ore, refining and filtering the solid impurities, then smelting to produce aluminum metal.**

* headwatersrecycle.com

** world_aluminium.org

Fluor conserved and recycled

900,000+ pounds of paper.*

Equivalent to

- 1,508 cubic yards of landfill space
- 85,000 gallons of fuel for a car
- 229 average homes powered for one year
- The prevention of 27,000+ pounds of air pollution entering the atmosphere

* umass.edu
epa.gov

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expanded its use of the Verdiem® power-management tool, with deployment in Australia, Canada, Chile, India, The Netherlands, Poland, South Africa, Spain and the United Kingdom. Additionally, the increased use of video-conferencing technology raised productivity and reduced costs. In 2011, more than 3,000 video conferences were held, with approximately 18 percent of them eliminating the need for travel.

RECYCLING

✦ **EN5** Virtually all Fluor offices have active recycling programs. More than 1 million pounds of assorted bulk materials, 94,000 gallons of liquids and more than 900,000 pounds of paper were recycled during 2011. Our employees' recycling efforts also extend to project sites around the world. For example, at Bagram Air Field in Afghanistan, approximately 15 percent of all municipal solid waste is recycled or reused, which is equivalent to an average of 55 tons per day.

CONSERVATION AND AVOIDANCE INITIATIVES

✦ **EN5** Conservation and landfill avoidance activities also are part of Fluor's global HSE initiatives. Many of our offices donated furniture, office supplies and carpet to schools, homes for the elderly and nonprofit organizations. Building on the ongoing initiative of double-sided printing, approximately 3.9 million sheets of paper — or more than 5 tons — were saved. Combined with the paper that was recycled, over 460 tons of paper were conserved during 2011.

✦ **EN21** Water conservation approached 800,000 gallons through deployment of low flush valves, automatic faucet sensors, waterless and/or low-flow urinals, use of biodegradable cleanser, rainwater collection at facilities, and reclamation of grey water for irrigation. Using reclaimed water in lieu of potable water for irrigation

in our Dallas headquarters was particularly successful during the drought conditions in the southern United States.

✦ **EN5, EN29** As with previous years, transportation initiatives included using energy-efficient vehicles, such as electric and hybrid models, as well as lighter/smaller vehicles aimed at decreasing fuel consumption. Several offices provide employee commuter shuttles and encourage carpooling, telecommuting or bicycle programs.

THE SPARK OF INDIVIDUAL IDEAS LIGHT UP OUR OPERATIONS

✦ **EN26** Fluor encourages the innovation of our employees and, as a result of their contributions, achieved success across a number of sustainability initiatives. These employee-led advancements are making a real difference in increasing efficiency, reducing waste and saving money and lives. A few examples of proactive office initiatives from 2011 are provided below.

- In Southern California — a region prone to earthquakes and where more than 1,100 employees work — the facility leadership developed an award-winning disaster preparedness program involving employee training, evacuation plans, search and rescue operations, medical response teams and storage of emergency supplies.
- Immediately following the March 2011 nuclear disaster in Japan, Fluor established a Radiation Task Force to ensure the safe continuity of business operations across the Pacific Rim region. After first ensuring no employees were affected in Japan, an intranet site was established to disseminate information concerning the radiation crisis and travel restrictions, as well as other important intelligence.

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OUR SUSTAINABILITY ADVANCEMENTS ALSO BENEFIT OUR CLIENTS

➤ **EN6** In addition to our own carbon footprint efforts, Fluor has proven experience in helping clients quickly achieve environmental compliance in the most cost-effective manner. Over the past 30 years, Fluor has delivered innovative solutions to help clients realize their GHG emission-reduction goals. Examples of Fluor's expertise in this arena are provided below.

- In 2011, Fluor made a significant investment in NuScale Power LLC, a small modular reactor technology company. NuScale technology will bring safe, economical and scalable power to the new-build nuclear industry.
- Using Fluor's proprietary Econamine FG PlusSM CO₂-capture technology, we continue our work on a carbon-capture demonstration project with E.ON Energie AG in Germany. The four-year test program is expected to demonstrate increased efficiency and reduce the cost of carbon capture. This technology also is being utilized by a joint venture of two European power companies that selected Fluor's technology to significantly reduce the CO₂ emissions at a supercritical power plant in The Netherlands. The goal is to recover 90 percent of the total CO₂ available, equaling approximately 4,000 metric tons per day of CO₂ not emitted into the atmosphere.
- Fluor was selected by Joule Unlimited to design and build a renewable fuel-production facility in New Mexico, developing a new technology that may lead to sustainable, localized fuel production around the world.
- In support of Levi Strauss & Co.'s sustainability goals, Fluor implemented site energy assessment recommendations that have lowered natural gas and electrical consumption, resulting in a reduction in water usage of over 8 million gallons and achieving cost savings of more than \$200,000.
- Fluor has been working with Unilever to improve reliability in the day-to-day operations of its raised floor data centers. Because of recommendations Fluor has made, Unilever has realized increased system reliability and lowered its operating costs. With one Fluor initiative alone, Unilever saves approximately \$500,000 a year.
- Fluor's advancements in the design of topsides for two Australian offshore gas-processing platforms for the Woodside Browse Liquefied Natural Gas (LNG) Development project resulted in value enhancements in excess of \$240 million. Improvements included several equipment substitutions and layout optimizations that reduced both the size and weight of these large topsides facilities. Many of these cost-saving ideas also improved the other project goals of increased design safety and operability.
- At IBM sites that Fluor maintains around the world, we utilize our integrated facility management program to track daily power usage and implement best practices for water and energy conservation. Over the course of two years, Fluor has helped IBM realize approximately \$50 million in cost savings.
- On Shell Canada's Athabasca oil-sands upgrader project, Fluor's proprietary 3rd Generation Modular ExecutionSM technology is driving down costs and reducing work hours.
- Fluor's Government Group has recommended alternative solutions for advanced computerized control systems for power generation units to the U.S. Army, which can dramatically decrease fuel consumption and improve fuel efficiency, while reducing the vulnerability associated with fuel deliveries. Additionally, this group has initiated an Energy Initiatives Task Force to better respond to the U.S. Government's requirements for sustainability and renewable/alternative power solutions.

IN 2011 FLUOR RECYCLED

133,000⁺

Fluor recycled approximately

plastic bottles, weighing
3,714 pounds.

Equivalent to*

- 91 60-watt light bulbs running for one year
- 13 cubic yards of landfill space
- 2,800 gallons of gas for a car**

* yosemite.epa.gov

** headwatersrecycle.com

KEEPING IT IN PERSPECTIVE

- It takes 60 percent less energy to make recycled steel, 40 percent less energy to make recycled newspaper or recycled glass, and 70 percent less energy to make recycled plastics. (scdhec.gov)
- Without aluminum recycling, the European Union would have to import about 8.4 million tons to meet production requirements. (world-aluminium.org)
- By weight, a typical car is 65 percent steel and iron, with 25 percent recycled content. (recycle-steel.org)
- It takes approximately 1 million years for a glass bottle to decompose in a landfill. (headwatersrecycle.com)
- Plastic bottle production in the United States annually requires about 17.6 million barrels of oil, enough to fuel more than 1 million cars. (sustainabletable.org)

2.10 SIGNIFICANT HSE AWARDS AND CERTIFICATIONS

HSE received many awards and certifications in 2011. Named one of America's safest companies by *EHS Today* magazine, the following are a few of the best and brightest and most notable awards received by Fluor in 2011. The Royal Society for the Prevention of Accidents' Occupational Health and Safety Gold Medal Order of Distinction Award was presented to Fluor Limited in the United Kingdom in recognition of Fluor's prior 20 consecutive Gold Medals. The European Construction Institute honored Fluor for its work on the Vopak MiDEx project with its 2011 Project of the Year Award. Additionally, ICA Fluor in Mexico was awarded the Empresa Socialmente Responsable distinction for socially responsible companies by the Mexican Center

for Philanthropy and the Alliance for Corporate Social Responsibility. Our clients have also presented Fluor with several awards and recognition. ExxonMobil Development Company honored Fluor with its President's Safety, Security, Health and Environmental Award for its work on the Chayvo OPF expansion and Odoptu first-stage production projects, recognizing world-class safety performance. The Minera Escondida Copper Mine project presented AMECO Chile with an award for Outstanding HSE Support, based on its collaborative work at the world's largest-producing copper mine located at an altitude of 16,000 feet. See GRI 2.10 in the GRI Index for a listing of all HSE awards and certifications received in 2011.

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Over the years, our employees have collectively given hundreds of thousands of volunteer hours in an effort to meet the needs in their respective communities.

Community & Social Service



GREAT MOMENTS IN FLUOR SUSTAINABILITY HISTORY

Throughout Fluor's history, the company and its employees have had a strong commitment to supporting local communities. In 1952, the Fluor Foundation was established to help fulfill the company's charitable goals. Over the past 60 years, more than \$148 million has been contributed toward improving the quality of life for people around the world. Today, the Foundation focuses on four primary areas for its philanthropy: education, social services, community and economic development, and the environment.

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Fluor employees around the world recognize that our success is directly linked to the health and prosperity of the communities in which we work. We are dedicated to building strong and sustainable regions through our community engagement, employee volunteerism and philanthropic initiatives. [↗ 4.16](#) Fluor collaborates with community leaders to determine common areas of interest where the company can help develop and support programs that will deliver enduring results.

While providing engineering and construction services is Fluor's business, supporting the local communities in which we live and work is our privilege. [↗ EC1](#) In 2011, Fluor Corporation and the Fluor Foundation contributed nearly \$6.1 million to community organizations, educational initiatives and programs in 17 countries. Combined with our employees' volunteering spirit and tireless commitment to help those who are less fortunate, the company has meaningfully supported the needs and interests of communities worldwide.

Our work in supporting communities is as strategic as it is heartfelt. In 2011, Fluor undertook a review of our long-standing funding guidelines for corporate and Foundation contributions to ensure the company's hard-earned dollars are having the greatest impact in the regions where we operate. As a result, we shifted our philanthropic focus to serve four specific areas: [↗ EC8](#) education, social services, community and economic development, and the environment. Furthermore, the company currently is implementing new and much more detailed reporting metrics for

our community involvement activities, which will be reflected in Fluor's 2012 Sustainability Report.

EDUCATION

Fluor believes education, particularly in the disciplines of science, technology, engineering and math (STEM), is a key component of success in the 21st century, improving livelihoods and sustaining long-term economic development. Therefore, we support STEM programs at the secondary and post-secondary levels.

In 2011, Fluor made more than 500 educational grants totaling over \$3 million, including contributions to numerous universities and scholarship programs. Employees worldwide, along with members of Fluor's Board of Directors, contributed nearly \$290,000 to 190 secondary schools, colleges and universities throughout 2011. With the Foundation's Matching Gift Program for Education, this amount grew to \$542,000.

In conjunction with Savannah River Nuclear Solutions, LLC, a Fluor-led partnership that manages and operates the U.S. Department of Energy's Savannah River Site,

Fluor pledged \$1.5 million to the University of South Carolina to help develop the university's Center of Economic Excellence for the Hydrogen Economy.

The Fluor Scholarship Program for Employees' Children awarded 253 new and renewable scholarships in 2011, totaling \$604,000, to students in more than 15 countries. The company also awarded six new college scholarships to students at Job Corps Centers and renewed 12 more for prior recipients, totaling \$90,000.

IN FOCUS

In 2011, Fluor Corporation and the
Fluor Foundation contributed

\$6.1 million to community
organizations, educational
initiatives and programs
in 17 countries.

IN FOCUS

In 2011, the value of volunteer time spent on community service projects totaled

\$786,000⁺, the equivalent of 36,800⁺ hours.

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Continuing our 40-year tradition, Fluor employees again participated in the annual Engineers Week® program. Nearly 400 volunteers shared with 15,400 elementary and secondary students how math and science are used in everyday life, as well as information about the numerous career opportunities in engineering.

For 11 years now, employees have donated backpacks filled with school supplies to needy students and also assisted with facility renovations and educational initiatives. In 2011, employees in 28 locations collectively touched the lives of more than 10,000 children around the world. Similarly, in Houston, our employees partnered with Kids' Meals to fund and make more than 2,800 lunches for preschoolers.

Fluor continues to play an active role in supporting the Progress Preschool in Secunda, South Africa. For nearly 10 years, our volunteers have focused on refurbishing existing classrooms and installing six new classrooms, a nursery and bathing/toilet facilities. Fluor helped Progress purchase the land on which the preschool is located and donated a pick-up truck, while Fluor and its employees contributed computers, televisions and DVD players. In 2011, the company provided more than \$56,000 to support the school's endeavors.

Fluor's ongoing financial and volunteer support of the Calgary Science Network enabled 31 workshops to be held in 2011, providing 546 teachers with classroom-ready materials and demonstrations/experiments so they may educate their estimated 15,000 students in science with confidence and clarity.

SOCIAL SERVICE

As a company that works in both developed and underdeveloped countries, we recognize how important it is to ensure that people have access to basic needs. To this end, we support organizations that provide food, shelter and prevention programs to those in need.

During Fluor's 2011/2012 United Way campaign, North American employees pledged more than \$2.6 million. With a 50-percent Fluor Foundation matching contribution added, donations totaled \$3.9 million.

Over the years, our employees have collectively given hundreds of thousands of volunteer hours in an effort to meet the needs in their respective communities. Through their involvement, we are better able to understand the interests of those living where we work, thereby maximizing community benefits. **501** In 2011, the value of volunteer time spent on community service projects totaled more than \$786,000, the equivalent of more than 36,800 hours.

A remarkable example of Fluor's lasting impact in a community is the Bukid Kabataan Center (BKC) in The Philippines. During the past 11 years, employees have provided nearly 6,000 volunteer hours, and the company has given more than \$172,000, to support the BKC, which provides shelter and schooling for children who have been abused, neglected or abandoned. Our volunteers have renovated and upgraded BKC's facilities, donated clothing and Christmas presents and provided computer-literacy training. Since 2000, approximately 380 children have been helped by the BKC, and today a former BKC resident works at Fluor's office in Manila as an engineer.

Through the Canstruction® Calgary competition, more than 34,000 pounds of food were collected for its local food bank in 2011. The popular event, which involves teams building large-scale structures with canned food, has sparked the interest of several schools that now participate alongside our teams of professional engineers.

Greenville-based employees delivered more than 10,000 meals for Meals on Wheels over the course of 2011, while employees in both Greenville and Houston coordinated charity golf tournaments that raised \$435,000 for various aid organizations.

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COMMUNITY AND ECONOMIC DEVELOPMENT

When communities thrive, so do the businesses and residents that work and live in them. To help ensure this vibrancy is maintained and nurtured, Fluor is committed to supporting organizations that train workforces and create jobs, build or refurbish housing and infrastructure, assist in disaster relief and provide youth development.

Fluor's ongoing commitment to the Gawad Kalinga project in The Philippines was demonstrated in 2011 with the additional construction of four new homes in the disadvantaged community of Santa Rita. Over the last three years, 12 homes have been built by 140 employee volunteers, involving more than 1,250 hours of their time.

Additional community and economic endeavors include 642 hours being volunteered in the United States on Habitat for Humanity projects and another 223 hours for Homes for Our Troops.

In Western Australia, Fluor and its project partner have created the Pingku Indigenous Traineeship Program to help train and create employment opportunities for unskilled indigenous workers. It has an 80-percent success rate in placing graduates.

Fluor partnered with Cultiva, a nonprofit Chilean organization, to build Fluor Square, a park-like gathering area and playground for residents and children in one of Santiago's poorest areas.

In 2011, Fluor and employees came together to contribute more than \$41,000 to disaster-relief agencies following the earthquake and tsunami in Japan, Australian floods, wildfires in Texas and Alabama tornadoes.

✦ **EC6** Supporting the U.S. Supplier Diversity Program, Fluor spent approximately \$730 million in 2011 with small-, minority- and woman-owned businesses, or approximately 24 percent of the \$3 billion spent with U.S.-based suppliers and contractors.

ENVIRONMENT

The growing importance of environmental stewardship will have a meaningful impact on future generations. Around the world, Fluor engages in local programs that serve the dual function of benefiting the environment and improving the communities in which we live and work. We support organizations that protect natural resources and habitats through conservation, restoration, beautification and environmental education.

In The Philippines, employees joined with other volunteers to restore a two-kilometer stretch of the country's coastline in order to support a habitat for migratory animals.

Our employees across China raised funds to purchase approximately 700 trees, while the company purchased an additional 1,300 trees, for the Million Tree Project. Fluor volunteers planted them in an ecological forest, and each tree will clean the air of 250 kilograms of carbon dioxide over the course of its life.

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Fluor used the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines as a guide for developing this report, as opposed to the more recent version 3.1. The company is in the process of evaluating the impact on data collection and availability of data required under the GRI G3.1 reporting guidelines and will determine the steps necessary to meet the latest GRI reporting requirements in future reports. The table outlines Fluor's comments on specific GRI reporting elements and indicators* and where additional information regarding these can be found in the report. By self-declaration, this report meets the criteria for GRI Application Level B. For a full explanation of the GRI guidelines, visit www.globalreporting.org.

* Core indicators in black; additional indicators in gray.

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1. STRATEGY & ANALYSIS

1.1	Strategy & Analysis.	A Message from the Chairman & CEO, pages 3–4.	●
1.2	Description of key impacts, risks, and opportunities.	A Message from the Chairman & CEO, pages 3–4.	●

2. ORGANIZATIONAL PROFILE

2.1	Name of the organization.	Fluor Corporation	●
2.2	Primary brands, products, and/or services.	About the Company, pages 5–6.	●
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	About the Company, pages 5–6.	●
2.4	Location of organization's headquarters.	6700 Las Colinas Blvd., Irving, TX USA 75039	●
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, Guinea, India, Indonesia, Iraq, Ireland, Kazakhstan, Kuwait, Madagascar, Mexico, Mongolia, The Netherlands, Norway, Peru, The Philippines, Poland, Portugal, Puerto Rico, Qatar, Russia, Saudi Arabia, Singapore, South Africa, Spain, 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 March 1, 2012, shareholders who own 5 percent or more of Fluor outstanding common stock are JPMorgan Chase & Co. (5.9 percent) and BlackRock, Inc. (5.8 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.	●
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	<p>Fluor serves governments and leading commercial clients, who serve consumers, across the following industry sectors:</p> <ol style="list-style-type: none"> 1. Oil & Gas, including chemicals and 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, Trinidad and Tobago, United Arab Emirates, the United Kingdom and the United States. 2. Industrial & Infrastructure, including manufacturing, life sciences, mining and metals, commercial and institutional, telecommunications, transportation and renewable energy. Major operations are active in Australia, Canada, Chile, China, Dominican Republic, Germany, Guinea, Ireland, Madagascar, Mongolia, The Netherlands, Peru, Puerto Rico, South Africa, United Arab Emirates, the United Kingdom and the United States. 3. Global Services, including operations and maintenance; plant engineering and construction; turnarounds and outages; specialty services; facility management; procurement services; equipment, tools and fleet services; and contract staffing. Major operations are active in Australia, Afghanistan, Indonesia, Iraq, Mexico, The Netherlands, the United States and Qatar. 4. Government, including contingency operations, service/base operations, nuclear operations, nuclear remediation and design/build services. Major operations are active in Afghanistan, Iraq and the United States. 	●

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2. ORGANIZATIONAL PROFILE (continued)

2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	5. Power , including solid-fueled, gas-fueled/integrated gasification combined cycle, environmental compliance, 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, pages 5–8.	●
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	As a result of an improved economic outlook, Fluor's total global headcount increased from approximately 39,000 in 2010 to approximately 43,000 in 2011. Board of Directors changes included: David T. Seaton was named chairman of the board in February 2012 after former CEO Alan Boeckmann retired from the position. Alan Bennett, former president and chief executive officer of H&R Block, Inc. and director of Halliburton Company and The TJX Companies, Inc. joined the board in November 2011. Dr. Ilesanmi Adesida, dean of the College of Engineering, University of Illinois at Urbana-Champaign, departed the board in May 2011. Executive-level personnel changes included the retirement of D. Michael Steuert, senior vice president and chief financial officer, in May 2012. Biggs C. Porter, previously the chief financial officer of Tenet Healthcare Corporation, was appointed as his successor.	●
2.10	Awards received in the reporting period.	The listing below represents major external awards and recognitions. General: • One of the world's "Most Admired Companies" by <i>FORTUNE</i> Magazine. Community & Social Service: • United Way — Chairman's Award, Campaign Award of Excellence and Outstanding Annual Employee Giving Campaign (Greenville, SC); and Outstanding Annual Employee Giving Campaign and Outstanding Corporate Leader's Society Contributor Awards (Southern California). • Ronald McDonald Making a Difference Award (Greenville, SC). • 2011 Yellow Rose Award Outstanding Organization of the Community — Association of Hispanic American Women (Greenville, SC). • 2011 Giving is Living Award for Outstanding Corporate Volunteerism from OneOC (Southern California). Employees & Workplace: • Glassdoor.com, a job search website that features employee ratings for companies, includes Fluor on its 50 Best Places to Work, based upon ratings collected during 2011. • Top 25 North American Companies for Leaders by Aon Hewitt. • HR Excellence Award for Fluor University. Ethics & Compliance: • Fluor was named to World's Most Ethical Companies list for the fifth consecutive year by <i>Ethisphere</i> magazine. Health, Safety & Environment: • Fluor was named one of America's safest companies by <i>EHS Today</i> magazine. • Fluor Limited in the United Kingdom received The Royal Society for the Prevention of Accidents' Occupational Health and Safety Gold Medal Order of Distinction Award, in recognition of Fluor's prior 20 consecutive Gold Medals (1992–2011). • AMECO received five prestigious awards from the U.S. National Safety Council, including the Industry Leader Award, Occupational Excellence Achievement Award, Safety Leadership Award, Perfect Record Award and Million Hour Award. • ExxonMobil Development Company honored Fluor with its President's Safety, Security, Health and Environmental Award for its work on the Chayvo OPF expansion and Odoptu first-stage production projects, recognizing world-class safety performance.	●

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2. ORGANIZATIONAL PROFILE (continued)

2.10	Awards received in the reporting period.	<ul style="list-style-type: none"> Fluor was honored with the National Prize of Industrial Engineering by the Spanish Society of Professional Industrial Engineers for its work on the Repsol Petroleo C-10 refinery expansion project in Spain. Fluor's work on the Camana Bay project in the Cayman Islands received the Governor's Award for design and construction excellence. The European Construction Institute honored Fluor for its work on the Vopak MiDEx project with its 2011 Project of the Year Award. Led by Fluor, the Sasol Secunda Growth Programme won the Sastech Safety Performance Team of the Year Award. The Triangle Safety Award was presented to Fluor by Southern Company, in recognition of high safety standards. Fluor's Kentucky Utilities project team received the Kentucky Labor Cabinet Governor's Safety and Health Award. The South Carolina Manufacturers Alliance awarded Savannah River Nuclear Solutions the Plant Safety Award for excellent injury rate performance. AMECO Chile has been honored by the Minera Escondida Copper Mine project with an Outstanding HSE Support Award. Fluor Federal Services has been awarded the Star of Excellence in the U.S. Department of Energy's Voluntary Protection Program (VPP), recognizing low rates of on-the-job injuries and illnesses. This is the fourth time Fluor's work at this site has received this honor. The company's operations in Southern California won the American Red Cross' Award of Excellence for Disaster Preparedness. A second Fluor office building located in Dallas, TX, received the U.S. Green Building Council's Leadership in Energy and Environmental Design certification. Fluor's office in Gliwice, Poland, received OHSAS 18001 certification. The company's operations in South Africa achieved ISO 14001 certification and renewed its OHSAS 18001 certification. The company's office in The Netherlands was recertified by Dutch Safety, Health & Environmental Checklist for Contractors. Fluor Federal Services was recertified in the U.S. Department of Energy's VPP. Fluor Limited has received certificates of assessment as a specialty contractor/supplier on Achilles Information Limited's UVDB Verify database for its sustainability practices on the Greater Gabbard Offshore Winds 132 KV Substation and Petroplus, Coryton projects. Fluor's HSE communications team's quarterly newsletter, called <i>HSE Matters</i>, earned the Communication Concepts' Award for Publication Excellence. 	●
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3. REPORT PARAMETERS: Report Profile

3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	About the Report, page 9.	●
3.2	Date of most recent previous report (if any).	The 2011 Sustainability Report, published in August 2012, marks the fourth year the company has published a formal sustainability report. Prior year Sustainability Reports are available online at http://www.fluor.com/sustainability/Pages/default.aspx .	●
3.3	Reporting cycle (annual, biennial, etc.).	Fluor has published a sustainability report annually since 2008.	●
3.4	Contact point for questions regarding the report or its contents.	<p>For more information about Fluor's global sustainability efforts and to share your thoughts about this report, please contact:</p> <p>Kirk Grimes Group Executive, Operations Fluor Corporation 6700 Las Colinas Boulevard Irving, TX 75039 corporate.communications@fluor.com (469) 398-7000</p>	●

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3. REPORT PARAMETERS: Report Scope & Boundary

3.5	Process for defining report content.	About the Report, page 9.	●
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	About the Report, page 9.	●
3.7	State any specific limitations on the scope or boundary of the report.	About the Report, page 9.	●
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.	n/a
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, page 9.	●
3.11	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.	n/a
3.10	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Not applicable.	●

3. REPORT PARAMETERS: GRI Content Index

3.12	Table identifying the location of the Standard Disclosures in the report.	GRI Content Index, pages 42–66.	●
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3. REPORT PARAMETERS: 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 10.	●
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4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT: Governance

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 at least annually by each committee. See Fluor's 2012 Proxy Statement, pages 16–18, 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 . Also, for more information about the Board and committee roles in risk oversight, please see pages 19–20, of Fluor's 2012 Proxy Statement, available online at www.fluor.com .	●
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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).	David Seaton, Fluor's CEO, currently serves as chairman of the Board. Governance, page 22. See also Fluor's 2012 Proxy Statement, pages 13–14, for a discussion of board leadership and a description of the role of the lead independent director, available online at www.fluor.com .	●
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, pages 22–23. See also Fluor's 2012 Proxy Statement, pages 11–13, for a discussion of director independence.	●
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Governance, page 23. Mechanisms for individuals to communicate with Fluor's Board of Directors are referenced on pages 14–16 and page 72 of Fluor's 2012 Proxy Statement available online at www.fluor.com . See Fluor's 2012 Proxy Statement, pages 62–63, available online at www.fluor.com , for information related to a proposal (Proposal 3) made by the company in part due to recent shareholder proposals seeking the right to call a special meeting of shareholders.	●
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 21–57 of Fluor's 2012 Proxy Statement, available online at www.fluor.com .	ⓘ
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Governance, page 23. A description of Fluor's Related Party Transaction policy can be found on page 19 of Fluor's 2012 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 14–15 of Fluor's 2012 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 are discussed on pages 4–10 of Fluor's 2012 Proxy Statement, available online at www.fluor.com . See also Governance, page 23.	ⓘ
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 ethics and compliance program. The company's Compliance and Ethics Committee, made up of cross-functional senior management, helps ensure that Fluor 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 the company has made to conduct business with the highest standards of integrity. More information about Fluor's Code is available on page 19. 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). 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.	●

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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 23. 2011 Board of Directors training included a discussion on business ethics. A full discussion of risk management oversight can be found on pages 19–20 of Fluor's 2012 Proxy Statement, available online at www.fluor.com .	●
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Governance, page 23. In addition, the Governance Committee oversees an annual evaluation of the Board and its committees.	●

4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT: Commitments 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 strongly believes in collective action, where principled companies join together in the common purpose of taking a stand against corruption. To this end, at the 2002 annual meeting of the World Economic Forum in Davos, Switzerland, then 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 facilitation 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 170 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. See also Ethics & Compliance, pages 16–20. Fluor proactively releases its greenhouse-gas emissions information to the Carbon Disclosure Project, the world's largest database of corporate climate change information for use by financial and policy decision makers.	●

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4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	<p>Listed below are the principal associations and initiatives with which Fluor is involved in the areas of sustainability:</p> <p>Corporate-Wide</p> <ul style="list-style-type: none"> American Society of Civil Engineers, Committee on Sustainability (United States) World Economic Forum — Global Risk Network; Global Agenda Council on Corruption; Co-Chair, B20/G20 Task Group on Corruption; and board seat and additional leadership participation in the Partnering Against Corruption Initiative (Switzerland) United Nations Global Compact, signatory <p>Community & Social Service</p> <ul style="list-style-type: none"> Center for Corporate Citizenship, Boston College Carroll School of Management (United States) National Engineers Week Foundation, Corporate Leadership Council (United States) United Way Worldwide, National Corporate Leadership Advisory Council (United States) <p>Compliance & Ethics</p> <ul style="list-style-type: none"> Committee to Address Facilitation Payments Ethics and Compliance Officers Association, sponsoring partner The Corporate Executive Board's Compliance and Ethics Leadership Council The Conference Board's Global Council on Business Conduct The Dallas/Fort Worth Ethics and Compliance Roundtable Ethics Resource Center, contributing fellow <p>Employees & Workplace</p> <ul style="list-style-type: none"> The Corporate Executive Board's Corporate Leadership Council (United States) The Conference Board — council participation, HR Executive Leaders, Leadership Development and Diversity and Inclusion (United States) National Engineers Week Foundation Leadership Council Member (United States) Society of Women Engineers (United States) Society for Human Resource Management (United States) Global Diversity Connections Consortium (United States) Catalyst, a nonprofit membership organization working globally with businesses and the professions to build inclusive workplaces and expand opportunities for women in business (United States) <p>Health, Safety & Environment</p> <ul style="list-style-type: none"> American Institute of Chemical Engineers, Center for Chemical Process Safety (United States) American Society of Civil Engineers, Sustainable Engineering Certification Program (United States) BuildSafe South Africa (South Africa) International Organization for Standardization (ISO) 14001 and 14064 (Switzerland) International Facility Management Association Mary Kay O'Conner Process Safety Center (United States) National Academy of Construction (United States) National Safety Council (United States) U.S. Green Building Council (United States) Construction Industry Institute's Sustainability Community of Practice (United States) 	●
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4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	Supply Chain & Procurement <ul style="list-style-type: none"> • CAPS Research • Construction Industry Institute • Institute for Supply Management • National Minority Supplier Development Council, corporate member (United States) • Women's Business Enterprise National Council (United States) • Women's Enterprise Alliance Council, corporate committees (United States) 	●
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4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT: Stakeholder Engagement

4.14	List of stakeholder groups engaged by the organization.	<ul style="list-style-type: none"> • Clients • Employees, union organizations • Future generations, environmental interests • Institutions, governments, legislators • Nongovernmental organizations • Shareholders • Society at large, communities • Subcontractors, suppliers, business associations 	●
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 Chairman & CEO, pages 3–4.	●
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. Clients continue to strive for lower operating costs and 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. In addition, Fluor has in place a companywide Sustainability Manual — a comprehensive compilation of best practices that integrates sustainability into our processes and those we provide to clients. In this way, these practices become more routinely and consistently a part of day-to-day operations. In 2011, Fluor conducted project-specific anti-corruption training with a client, a trend that Fluor intends to continue.	●

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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.	<p>Employees</p> <p>Human Resources (HR) professionals around the world support business operations by actively identifying, recruiting, hiring, developing and retaining employees who have the appropriate skills to meet business demands by employing best practices in our industry. The goal of HR is to effectively staff and efficiently deploy talent on job sites and/or in offices worldwide. Following the 2010 global Employee Engagement Survey, teams assembled from office locations around the world implemented practices and programs to address key improvement drivers for engagement, with all locations addressing corporate level initiatives. Corporate initiatives emphasized enhancing practices related to career opportunities, performance management, employee brand alignment and recognition. Local, business group, departmental and functional level improvements were also employed through collaborative efforts to address improvement drivers specific to that area of the company. Forums located on the company intranet provide opportunities for employees to contribute ideas for improving company processes and practices. Group meetings, webcasts, video conferencing, town halls and other communications events also provide a venue for employees to interactively contribute their ideas for workforce engagement and other topics of interest.</p> <p>During 2011, we again engaged the Corporate Executive Board's Compliance and Ethics Leadership Council (CELC), as we had in 2009, to measure the company's ethical culture and susceptibility to misconduct. Utilizing its Risk Clarity assessment module, the survey was rolled out to a sample of Fluor's employee population from different business groups, functions, levels and geographic regions. CELC provides an Integrity Index score, to serve as a proxy for ethical climate, by gauging our employees' answers to 18 questions around the areas of comfort speaking up, organizational justice, direct manager leadership, tone at the top, openness of communication, departmental climate and clarity of expectations, relative to its benchmark for other companies and industry peers. CELC's analysis of results determined that Fluor's 2011 "Most Favorable" Integrity Index score was greater than CELC's benchmark. Seventy three percent of Fluor respondents, as opposed to CELC's benchmark of 65 percent, either agree or strongly agree to all 18 questions and have the most favorable opinions about integrity within the company.</p> <p>Shareholders</p> <p>During 2011, our Investor Relations department continued to provide a full range of services and products to serve the needs of shareholders. This includes development and production of the annual report, a spreadsheet with current and historical financial information and supplemental slides for quarterly earnings conference calls. So that stakeholders and investors turn to us first with questions, Fluor works to maintain a reputation for being a reliable, credible source of information for shareholders and the investment community. Given Fluor's leadership position in the industry and stakeholder requests to interact with senior management directly, we held investor meetings and project site visits with Chairman and CEO David Seaton, CFO Mike Steuert and various company group presidents in addition to periodically providing access to the insight of experts throughout the organization. Each year, Fluor holds an Annual Meeting of Shareholders during which votes are cast for the election of board members; the ratification of the appointment of an independent public accounting firm; and any management proposals or properly presented shareholder proposals. During 2011, the company received one shareholder proposal requesting that shareholders be given the right to call a special meeting of shareholders. Our board of directors chose to implement the proposal and received shareholder approval for this proposal at our 2012 Annual Meeting. See Fluor's 2012 Proxy Statement, pages 62–63, available online at www.fluor.com.</p>
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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.	<p>Communities</p> <p>In locations where Fluor establishes a major professional presence for the purpose of serving its clients, the company also establishes a relationship with local community leaders in order to have a valuable impact on the lives of people in those communities. Our involvement in understanding and advancing the quality of life in local communities begins long before we are awarded a project. Whether it be financial contributions and investments in our communities, specialized training to improve craft worker skills, or personal involvement of Fluor employees in community groups and activities, our goal is to ensure that when Fluor completes a project, the community is better because of our presence.</p> <p>Examples of Fluor community leadership engagement include:</p> <ul style="list-style-type: none"> • Fluor is an active member in the Community Matters Partnership, where socially responsible organizations are working together as a network to support the needs of the local community. (United Kingdom) • Fluor (Greenville, SC) professional and financial contributions to South Carolina's Coalition for Mathematics and Science, a public/private partnership bringing together business/industry, education, government and community organizations to catalyze action around science, technology, engineering and math-based participation, academic success and innovation. (United States) • Fluor (Dallas, TX) support to Commit! — a “collective impact” initiative working together to realize every student’s full potential, cradle to career in Dallas County. (United States)
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Performance Indicators

1. ENVIRONMENTAL: 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 & Environment, pages 32–36, 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 & Environment, pages 32–36, for information on energy use and conservation at Fluor offices.	⊗
EN5	Energy saved due to conservation and efficiency improvements.	At many Fluor offices, 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 facilities 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: <ul style="list-style-type: none"> • More than 1 million pounds of assorted bulk materials were recycled, including aluminum cans, batteries, paper, cardboard, computers, concrete, electronic waste, filters, plastic and glass bottles, iron, steel, light bulbs, tires, landscape trimmings and toner/ink cartridges. • Paint and cooking and motor oils accounted for 94,000 gallons of recycled liquids. • More than 900,000 pounds of paper were recycled at offices worldwide. Conservation and Landfill Avoidance Activities <ul style="list-style-type: none"> • Fluor maintains 22 acres of preserve land adjacent to its corporate headquarters campus. • Approximately 3.9 million sheets of paper — or over 5 tons — were saved. Combined with the paper that was recycled, more than 460 tons of paper were conserved. • 800,000 gallons of water through deployment of low-flush valves, automatic faucet sensors, waterless and/or low-flow urinals, use of biodegradable cleanser and reclamation of grey water for irrigation. Fleet Initiatives <ul style="list-style-type: none"> • Use energy-efficient vehicles, including electric and hybrid models, as well as lighter/smaller vehicles aimed at decreasing fuel consumption. Several offices provide employee commuter shuttles and encourage carpooling, telecommuting or bicycle programs. See also Health, Safety & Environment, pages 32–36, for information on energy use and conservation at Fluor offices. 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 (field locations).	●
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	See examples in Health, Safety & Environment, pages 35–36.	●

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1. ENVIRONMENTAL: Materials (continued)

EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	See examples in Health, Safety & Environment, pages 33–36.	●
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1. ENVIRONMENTAL: 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.	⊗

1. ENVIRONMENTAL: Biodiversity

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.	⊗

1. ENVIRONMENTAL: Emissions, Effluents, & Waste

EN16	Total direct and indirect greenhouse gas emissions by weight.	<p>Fluor implemented a global carbon footprint initiative in 2006, establishing a baseline set of measurements for our offices, fleets at those offices and air travel, but not including client sites. With the support of ICF International, a leading carbon emission consultant, Fluor follows the Greenhouse Gas (GHG) Protocol standards for its inventory. Now with six years of data collected and analyzed, our annual process of measuring and reporting our facilities' carbon footprint provides valuable information to aid in effectively managing them in an environmentally responsible manner.</p> <p>Equivalent carbon dioxide (CO₂e) is the metric that Fluor uses to quantify its greenhouse gas (GHG) emissions from its global facilities' operations. Fluor includes all GHG Protocol emission source categories defined as:</p> <ul style="list-style-type: none"> • 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 <p>The number of projects Fluor designs, constructs and maintains each year influences its GHG emission totals. As seen on page 32, the company's GHG emissions increased in 2006 through 2008, when a stronger economy pushed global development. Conversely, GHG emissions decreased in 2009 and 2010, following the start of the global recession. With the economic recovery now well underway, clients made more capital investments during 2011, and as a result, Fluor's project revenues increased in 2011, as did its GHG emissions.</p>	①
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1. ENVIRONMENTAL: Emissions, Effluents, & Waste (continued)

EN16	Total direct and indirect greenhouse gas emissions by weight.	Based on six years of data collection, Fluor continues to identify appropriate ways to reduce its carbon emissions through energy efficiencies, recycling activities and conservation efforts.	
EN17	Other relevant indirect greenhouse gas emissions by weight.	See GRI Criteria EN16 as well as Health, Safety & Environment, pages 32–33, for information on Fluor's corporate carbon footprint.	①
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	See GRI Criteria EN5 as well as Health, Safety & Environment, pages 32–36, for information on energy use and conservation at Fluor offices.	①
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 destination.	Did not report. Data are not collected. See Health, Safety & Environment, page 34, 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 2011.	●
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

1. ENVIRONMENTAL: Products & Services

EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Health, Safety & Environment, pages 28–36.	①
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

1. ENVIRONMENTAL: Compliance

EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	Fluor received no Notices of Violation for environmental issues and no resulting monetary or other sanctions for non-compliance.	●
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1. ENVIRONMENTAL: 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. See also Health, Safety & Environment, page 34, for examples of 2011 fleet initiatives.	①
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Performance Indicators

1. ENVIRONMENTAL: Overall

EN30	Total environmental protection expenditures and investments by type.	Did not report. Data are not collected.	⊗
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2. HUMAN RIGHTS: Investment & Procurement Practices

HR1	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 contractors that have undergone screening on human rights and actions taken.	Did not report. Data are not collected. 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 must comply with Fluor's Business Conduct and Ethics Expectations for Suppliers and Contractors, which cover a variety of areas including human rights and employment practices, and supplement the various contractual requirements that our suppliers and contractors must undertake to further emphasize the high integrity standards we expect. Fluor reserves the right to verify compliance with contractual terms and conditions and these expectations.	⊗
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.	Fluor Security employees continue to receive training in company policies and procedures related to operational human rights issues.	●

2. HUMAN RIGHTS: Non-Discrimination

HR4	Total number of incidents of discrimination and actions taken.	Did not report. Fluor considers this information confidential.	⊗
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2. HUMAN RIGHTS: Freedom 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 believes that the interests of the company and its employees are best served in a collaborative environment where communication between management and employees is direct and open. The company acts in accordance with legal requirements in the countries in which we operate that relate to employee and third-party involvement, acknowledging and respecting employees' legal rights to join or refrain from joining worker organizations without fearing reprisal, intimidation or harassment. These may include labor organizations and/or trade unions. Managers and supervisors receive instruction about employees' rights. In locations where a legally recognized union represents employees, Fluor determines the best approach to establishing dialogue with their freely chosen representatives. The company commits to employing a bargaining process with these representatives. See also GRI Criteria LA4.	●
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2. HUMAN RIGHTS: Child Labor

HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	As a signatory to the United Nations Global Compact (see HR7 below) Fluor does not utilize child labor nor do we support the existence of same. The company recruits employees and provides working conditions, including payment of wages and benefits that comply with all applicable laws and regulations. All of Fluor's employees are above the legal age in the country in which they are employed, and no Fluor operations have been identified as having a significant risk of incidents of child labor. Fluor does support the use of legitimate workplace apprenticeships, internships and similar programs, which provide significant training and experiential opportunities for individuals. These programs are designed to comply with all applicable laws and regulations. See also Employees & Workplace, page 25.	●
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2. HUMAN RIGHTS: Forced & 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 are not aware of any operations having significant risk for incidents of forced or compulsory labor. Fluor continues to believe that every individual is entitled to be treated with dignity and respect. Our core value of Integrity supports this commitment. The Company supports all aspects and dimensions of human rights and fosters a global environment that is supportive 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. Although forced labor exists in some parts of the world, Fluor does not tolerate the use of any kind of forced or compulsory labor, trafficking in persons or procurement of commercial sex acts. Further, we encourage employees to work to ensure that Fluor does not have suppliers, contractors or other business partners that do so. We emphatically state that we do not condone the use of forced labor by Fluor or any of our suppliers, clients or partners. These standards apply regardless of local laws and customs. We also take measures to provide working conditions that comply with applicable laws and regulations, including those applying to wages and benefits. Fluor's business risk assessment process includes the evaluation of industrial relations risks that may include a review of compulsory or forced labor issues that might exist in a particular country or job location. Additionally this process would include an analysis of any actions the company would need to take in order to mitigate these risks.	●
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2. HUMAN RIGHTS: Security Practices

HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Fluor Security employees continue to receive training in company policies and procedures related to operational human rights issues.	①
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2. HUMAN RIGHTS: Indigenous 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.	●
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3. LABOR PRACTICES AND DECENT WORK: Employment

LA1	Total workforce by employment type, employment contract, and region.	About the Company, page 7.	①
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.	⊗

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3. LABOR PRACTICES AND DECENT WORK: Employment (continued)

LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	<p>Information is collected on a global basis; however, breakouts regarding temporary and part-time specific benefits are only available for the United States.</p> <p>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.</p> <p>During 2011, the company reviewed global retirement and benefits plans and made changes as needed to support regulatory and competitive drivers. For instance, the United States added a healthcare savings account medical plan option to benefits selections, giving employees the ability to set aside funds for future medical expenses, including retiree medical expenses. Also in the United States, the company provides coverage for eligible dependent benefits, including domestic partners and children of domestic partners. The dependent certification process was successfully implemented in 2011. A multi-disciplinary healthcare reform task force was implemented in the United States in 2011 to address the significant changes required by law, impacting our future business strategy.</p> <p>Another example is China's new program that provides a supplemental retirement stipend.</p> <p>Further, Fluor sustains an active Employee Wellness program across the organization, providing opportunities for employees to receive information about matters related to preventative health and wellness practices.</p> <p>Employees & Workplace, page 26.</p>	①
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3. LABOR PRACTICES AND DECENT WORK: Labor/Management Relations

LA4	Percentage of employees covered by collective bargaining agreements.	Approximately 29 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.	<p>Did not report since data are not available on a global basis.</p> <p>Fluor operates consistently with local laws and requirements to provide 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.</p>	⊗

3. LABOR PRACTICES AND DECENT WORK: Occupational 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.	<p>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:</p> <ul style="list-style-type: none"> • Cultivating an active interest in HSE issues and assisting in reducing work-related injuries, illnesses and hazards; • Assessing and making recommendations for HSE training and education; • Reviewing and enhancing all HSE procedures for the workplace; • Examining the circumstances surrounding recent workplace injuries and incidents, as well as work-related illnesses, and making recommendations to mitigate risks and improve performance; • Proposing programs aimed at raising and maintaining interest in the workplace HSE program; • Reviewing planned inspections and audits and making recommendations to correct unsatisfactory levels of performance; and • Providing full and proper documentation of all meetings, recommendations and other relevant endeavors. 	⊗
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3. LABOR PRACTICES AND DECENT WORK: Occupational Health & Safety (continued)

LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Health, Safety & Environment, pages 30–31.	●
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.	●
LA9	Health and safety topics covered in formal agreements with trade unions.	<p>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 on 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:</p> <ul style="list-style-type: none"> • Compliance with applicable provisions of all government-mandated health and safety laws and regulations; • Development of site-specific safety, industrial hygiene and environmental requirements; • Emergency procedures; • Means to report unsafe work conditions; • Worker protection and right to know; • Workplace monitoring; • Safety and personal protective equipment; • Substance abuse prevention program; • Periodic medical examinations; • Provisions for safety inspections, first-aid services and safe, clean areas for meals; • Formation of jobsite safety committees and assurance of subcontractors' safety organizations; and • Safety training. 	●
LA10	Average hours of training per year per employee by employee category.	<p>Information is not collected on a global basis.</p> <p>Fluor is committed to providing ongoing training and education for all employees, which will add value to our clients and enhance long-term business growth. The company's HR policy encourages a minimum of 40 hours each year of training and education in job-specific skills and general professional, technical and managerial development for each salaried employee. This standard is expected to be met through a combination of company and personal time. These hours include internal and external development activities, both within and outside of normal job responsibilities; project and related training activities; internal training programs; external seminars, workshops and professional conferences; academic coursework; and community/charitable organization participation.</p> <p>Employees & Workplace, pages 26–27.</p>	●

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3. LABOR PRACTICES AND DECENT WORK: Occupational Health & Safety (continued)

LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	<p>Fluor offers a variety of skills management and lifelong learning programs through venues including online training through Fluor University, complemented by instructor-led training at various Fluor locations and video distance learning. For craft workers, Fluor offers established programs for extensive skills training.</p> <p>Examples of programs that support management skills and lifelong learning include:</p> <ul style="list-style-type: none"> • In 2011, Fluor incorporated the 12 Core Skills, essential competencies for all employees to help sustain a common language across the company and establish standards for high performance, into the Performance Assessment system. All skills are woven into our recruiting, hiring, development and performance assessment processes. • The use of Fluor's Succession Management Program encourages assessing the global reach of our internal capabilities and growth opportunities. It promotes the identification of candidates for succession. This helps promote skills development at all levels of the organization. • Fluor's Management and Leadership Framework provides supervisors, managers and executives with leadership skills they need to successfully execute projects, drive financial results, develop employees, build client relationships and lead their respective organizations by example. <p>Fluor's employees also gain exposure to learning through international assignments and working at clients' offices and project sites across six continents. In fact, more than 11,000 employees originating from 18-plus global offices are currently on international assignments in 42 countries. This reflects the mobility of Fluor's workforce and their commitment to serving clients around the world. Two examples of programs designed to enhance employee agility are:</p> <ul style="list-style-type: none"> • Formal networking opportunities for employees who are five to 15 years out of college called the Emerging Leaders Group had active participation in four major Fluor offices. In 2011, Fluor offices in the United States and Manila joined together to create a unified effort to share ideas and best practices across the group and ultimately other offices. • Our Graduates Advancing to Professionalism (GAP)SM program links those who are new college graduates to five years out of college. A total of 11 groups in seven countries had active members. <p>Employing local talent is important at Fluor. Examples for 2011 include:</p> <ul style="list-style-type: none"> • A construction training program in Cajamarca, Peru. More than 400 participants from 32 townships completed the training. • Locally sourced labor in Afghanistan to serve the LOGCAP IV project. In all, 8,830 male Afghan nationals are employed, 10 female Afghan nationals were recently hired and 20 additional are in process. • Fluor Chile launched its first official site training program for the Construction Management Essentials Course in Santiago. • Fluor Power Group employed 3-D virtual training to simulate safety hazards, engineering and build processes and new hire training scenarios, among other potential uses for the tool. • Fluor Manila began utilizing local talent to support HR administration functions. 	●
LA12	Percentage of employees receiving regular performance and career development reviews.	<p>All eligible employees are expected to receive performance assessments on an annual basis. Through the company's online performance assessment system, managers can provide assessment of critical skills required by all employees, as well as particular feedback for individual performance. This tool offers a standardized process used across the organization. In 2011, 97 percent of all eligible employees received assessments.</p>	●

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3. LABOR PRACTICES AND DECENT WORK: 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.	<p>See About the Company, page 8 for a breakdown of employees by business.</p> <p>Fluor's Board of Directors comprises 11 members; two are women.</p> <p>Fluor institutes policies and practices to sustain its globally diverse workforce through education and communication. From participating in outreach through minority national conferences and career fairs in the United States, such as the National Society of Black Engineers, the Society of Hispanic Professional Engineers, the Society of Women Engineers and Catalyst, to hiring and training local nationals in countries where we work, to partnering with universities around the world to attract recent graduates, Fluor is committed to growing and sustaining its diverse workforce.</p> <p>In line with the company's core value of Teamwork, the practices related to diversity and inclusion have been woven throughout learning programs, development frameworks, core skills and performance assessments.</p> <p>Fluor also informs and educates employees, encouraging them to incorporate practices that encourage inclusiveness in the context of a globally diverse workplace. During 2011:</p> <ul style="list-style-type: none"> • More than 50 employees from around the world contributed their ideas and personal stories related to working within the context of a globally diverse environment. Disseminated on the company's intranet and e-mail blasts, these stories served to educate and inspire others about building upon the company's core value of Teamwork and peer-to-peer knowledge sharing. • A Global Diversity & Inclusion Resource Center houses globally accessible tools and information to help them learn about workplace diversity and inclusion. • A nine-course online diversity and inclusion curriculum is available to all employees. Every employee completes two mandatory Diversity & Inclusion courses as part of new hire orientation. In 2011, a total of 10,247 courses were completed. Of this figure, 9,844 were required courses and 403 were recommended courses. <p>Examples of local cultural awareness efforts in 2011 include:</p> <ul style="list-style-type: none"> • The Emerging Leaders Group at Fluor's Houston office sponsored a cultural awareness event that included five group conversations about culture, traditions, holidays and business etiquette with people who had worked in various countries; a fun fact feature in the weekly office e-mail; and a final event, a Cultural Quiz Show, in which teams competed on what they had learned. More than 2,000 people participated. • Dubai HR Operations conducted all-team meetings to ensure all HR employees were aligned with the understanding of the diverse workforce they were serving. The training included a multimedia presentation followed by group discussions to examine workplace challenges that can occur within the context of a multicultural work environment. • Afghanistan employees attended cultural awareness programs to successfully mitigate issues stemming from cultural misunderstandings. • Fluor volunteers in Afghanistan conducted English classes for non-English speakers. <p>See Employees & Workplace section for more information.</p>	D
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3. LABOR PRACTICES AND DECENT WORK: Diversity & Equal Opportunity (continued)

LA14	Ratio of basic salary of men to women by employee category.	<p>Did not report. Information deemed proprietary and/or competitive in nature.</p> <p>Fluor maintains a practice of offering competitive salaries to attract and retain employees based on performance, defined job responsibilities, local market based economic conditions and business imperatives. Salaries are reviewed annually to ensure they remain competitive with those of the best companies in the global markets where we operate. Pay, benefits and other human resources programs are designed to attract and retain employees from diverse markets and backgrounds.</p> <p>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 chief executive officer and his direct reports, based on an assessment of competitive data from Fluor's Compensation Peer Group. Proxy Statement, Compensation Discussion and Analysis, beginning on page 23, available online at www.fluor.com.</p> <p>A complete discussion of executive compensation is included on pages 21–57 of Fluor's 2012 Proxy Statement, available online at www.fluor.com.</p>	⊗
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4. SOCIETY: Community

SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	<p>Fluor assesses the impact of the operations of a Fluor project entering a community at the proposal phase, offering to the client our Sustainability Plan, which describes how we will use our leading-edge technical skills to design and build environmentally friendly capital projects that consider the social and economic viability of the community and support our clients in their drive toward a sustainable future. The sustainability approach includes areas such as energy and resource efficiency, supplier diversity, anti-corruption, safety, training, community involvement, CO₂ management and green initiatives. More specific examples of how this approach manifests itself include:</p> <ul style="list-style-type: none"> • Use local contractors and suppliers • Practice recycling and reuse • Require contractors and suppliers to comply with Fluor's Project Sustainability Plan • Train and use of local workforce • Evaluate and design construction to mitigate impact to the environment • Invest philanthropic support and volunteer involvement in local education and community organizations 	ⓘ
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4. SOCIETY: Corruption

SO2	Percentage and total number of business units analyzed for risks related to corruption.	Ethics & Compliance, page 18.	ⓘ
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Ethics & Compliance, page 19.	●
SO4	Actions taken in response to incidents of corruption.	Ethics & Compliance, pages 19–20.	●

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4. SOCIETY: Public Policy

SO5	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. Fluor complies with all registration and reporting regulations placed on this activity.	①
SO6	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 (FLUOR PAC) and through company contributions where legal and appropriate. Fluor and FLUOR PAC make bipartisan contributions to political candidates and initiatives that support the company's policies and programs. FLUOR PAC makes contributions to candidates for federal office and certain state and local candidates where allowed by law. A list of federal contributions made by FLUOR PAC can be found on the U.S. Federal Election Commission website.	①

4. SOCIETY: Anti-Competitive Behavior

SO7	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.	⊗
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4. SOCIETY: Compliance

SO8	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.	⊗
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5. PRODUCT RESPONSIBILITY: Customer Health & Safety

PR1	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.	●
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

5. PRODUCT RESPONSIBILITY: 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.	⊗

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5. PRODUCT RESPONSIBILITY: Marketing 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 noncompliance 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.	●

5. PRODUCT RESPONSIBILITY: 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 2011.	●
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5. PRODUCT RESPONSIBILITY: Compliance

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 2011 for failure to comply with laws or regulations concerning the provision and use of its products and services.	●
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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.	<p>Community & Social Service, pages 37–40.</p> <p>2011 Community Highlights</p> <ul style="list-style-type: none"> • \$6.1 million in corporate and Foundation contributions to community organizations, educational initiatives and programs in 17 countries. • More than 350 grants, totaling \$1.45 million, made to universities and their scholarship programs. • More than 36,800 employee volunteer hours toward team service projects assisting organizations and schools. • More than \$786,000 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 28 locations around the world affecting more than 10,000 children. • \$3.9 million in employee contributions and matching grants pledged to United Way and health and human service agencies. • Through the Matching Gifts to Education Program, employees worldwide contributed almost \$290,000 to 190 elementary/secondary schools and universities. 	①
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6. ECONOMIC: Economic Performance (continued)

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.	<p>Sampling of 2011 Fluor contributions to nongovernmental organizations focusing on human service needs and youth development:</p> <ul style="list-style-type: none"> • \$281,050 total to the Boys & Girls Clubs of America and its local clubs • \$40,000 to the Hearing and Speech Foundation • \$29,000 to Funacion Teleton in Chile • \$25,000 to the Calgary Inter Faith Food Bank • \$25,000 to Kuwait-America Foundation • \$21,000 to The Premiers Disaster Relief Appeal • \$20,000 to Meals on Wheels • \$19,000 to Bukid Kabataan in The Philippines • \$15,000 to Juffali Help Center in Abu Dhabi • \$15,000 to American Heart Association <p>Sampling of educational grants made in 2011:</p> <ul style="list-style-type: none"> • \$250,000 to University of South Carolina Educational Foundation • \$100,000 to Calgary Science Centre • \$75,000 to National Engineers Week Foundation • \$56,000 to Progress Pre-School in South Africa • \$50,000 to World Affairs Council of Dallas/Fort Worth • \$41,000 to Central Queensland University in Australia • \$25,000 to Change the Equation • \$24,000 to University of British Columbia in Vancouver • \$20,000 to THINK Together • \$17,000 to Children University Haarlem <p>Grants made through The Fluor Military Support Coalition program in 2011 include:</p> <ul style="list-style-type: none"> • \$25,000 to Homes for Our Troops, building specially adapted homes for severely wounded veterans • \$25,000 to the Snowball Express, supporting programs for children of deceased U.S. service members • \$15,000 to the Young Men's Christian Association of Greensboro for summer camp scholarships for children of military families at YMCA Camp Weaver • \$10,000 to Communities in School Bell Coryell Counties to support the Angel Fund Program • \$10,000 to Hidden Wounds to support deployment and demobilization events to make contact with soldiers and their families • \$5,000 to Angel on a Leash for the expansion of the Therapy Dog Program at the Fisher House at the Michael E. DeBakey VA Medical Center in Houston 	<p>Full disclosure</p>
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6. ECONOMIC: Economic Performance (continued)

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.	Regarding government-related expenses, Fluor makes required payments for taxes, visas, permits and customs-related matters, among other requirements, to governments in the countries in which it performs work. Because of the company's far-reaching contact with governments, our 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. In 2010, the company updated its Anti-Bribery and Corruption Policy, ensuring clear standards that employees can easily understand no matter what the business environment or context may be. Facilitation payments are prohibited unless pre-approved in writing by the company's Law Department, allowed under all applicable anti-corruption laws and properly and accurately recorded as outlined in the PACI Principles. Regardless, facilitation payments are always strongly discouraged. We continuously reevaluate our ledger of facilitation payments to confirm compliance and to determine how they may be reduced going forward. Fluor also limits the number of third-party agents by primarily relying 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 we are vigilant in looking for "red flags." We also limit the employees that are permitted to have contact with third-party agents.	Partial disclosure
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	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. Growing concerns about climate change may result in the imposition of additional environmental regulations. For example, there is a growing consensus that new and additional regulations concerning greenhouse gas emissions and/or "cap and trade" legislation may be enacted, which could result in increased compliance costs for us and our clients. Legislation, international protocols, regulation or other restrictions on emissions could also affect our clients, including those who (a) are involved in the exploration, production or refining of fossil fuels, such as our Oil & Gas clients, (b) emit greenhouse gases through the combustion of fossil fuels, including some of our Power clients or (c) emit greenhouse gases through the mining, manufacture, utilization or production of materials or goods, such as our Mining clients. Such legislation or restrictions could increase the costs of projects for our clients or, in some cases, prevent a project from going forward, thereby potentially reducing the need for our services which could in turn have a material adverse effect on our operations and financial condition. However, legislation and regulation regarding climate change could also increase the pace of development of carbon capture and storage projects, alternative transportation, alternative energy facilities, such as wind farms, or incentivize increased implementation of clean fuel projects which could positively impact the company. The company cannot predict when or whether any of these various legislative and regulatory proposals may become law or what their effect will be on the company and its customers.	Full disclosure
EC3	Coverage of the organization's defined benefit plan obligations.	Fluor selects, develops and implements appropriate employee health, welfare and retirement plans aligned with local, competitive practices. Any defined benefit plans at Fluor remain consistent with industry standards and are funded according to the appropriate government regulations.	Full disclosure
EC4	Significant financial assistance received from government.	No significant financial assistance was received from the government.	Full disclosure

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Performance Indicators

6. ECONOMIC: Market Presence

EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	<p>Did not report. Information deemed proprietary and/or competitive in nature.</p> <p>In all locations around the world, Fluor aligns wages with local competitive markets. The company bases compensation on local market competitiveness, performance and internal equity across job content.</p> <p>Fluor maintains a practice of offering competitive salaries to attract and retain employees based on performance, defined job responsibilities, local market-based economic conditions and business imperatives. Salaries are reviewed annually to ensure they remain competitive with those of the best companies in the global markets where we operate. Pay, benefits and other human resources programs are designed to attract and retain employees from diverse markets and backgrounds.</p>	⊗
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Community & Social Service, page 40.	●
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	<p>Did not report. Information deemed proprietary and/or competitive in nature.</p> <p>Fluor adheres to all employment laws and strives to ensure local management is hired, developed and retained.</p>	⊗

6. ECONOMIC: Indirect Economic Impacts

EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement.	<p>Community & Social Service, page 38.</p> <p>As a global citizen, Fluor engages in local programs that serve multiple functions, including providing basic needs and affordable housing, as well as benefiting the environment. Fluor offices across the globe are engaged in grassroots voluntary community activities that bring funds, supplies, nature and well-being to scores of communities globally. Highlights include:</p> <ul style="list-style-type: none"> • In China, the company and its employees raised funds to purchase 2,000 trees and plant them in the ecological forest based in Kulun Qi, Tongliao Inner Mongolia Province. • Fluor's employees in The Philippines worked with others to help restore a two-kilometer stretch of the country's coastline to preserve the habitat of migratory birds. • Fluor employees built four additional homes (for a total of 12) in the disadvantaged community of Santa Rita, in support of the Gawad Kalinga construction project in The Philippines. • Fluor partnered with Cultiva, a nonprofit Chilean organization, to build Fluor Square, a park-like gathering area and playground for residents and children in one of Santiago's poorest areas. • Fluor employees from the Calgary, Dallas, Southern California and Manila offices designed, planned and built structures out of 16,650 cans of food for Canstruction® build competitions that benefited local food banks. • Fluor employees in The Philippines held a clothes drive (over 1,000 pounds collected), donating the proceeds to the local Red Cross in support of typhoon victims. • Fluor India employees hosted the Bhagwan Mahaveer Viklang Sahayata Samiti Jaipur camp, at which 150 amputees and other physically disabled individuals walked away fitted with artificial limbs, calipers, crutches and special shoes. 	●
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Community & Social Service, pages 37–40.	●

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