

# Beyond the Blueprint growing sustainably

Fluor is more than a business. We have a relationship with the world. We work with stakeholders who want what we want: A healthy place to live and work. An opportunity to thrive.

Uncertainty isn't new. Constraints have always been a part of our industry's reality. So we continue to go beyond the blueprint to optimize what's possible. Together, we and our stakeholders will grow sustainably into the future. Our eyes are open. Our responsibility is clear.

## **ABOUT THE COVER**

Completed in 2013 by the American Bridge/Fluor Joint Venture, the East Span of the San Francisco-Oakland Bay Bridge is the largest and longest single-tower, self-anchored suspension (SAS) bridge in the world. It's shown on this report's cover next to the old East Span. This complex project required new levels of innovation, exacting precision in work performance and construction quality, and extensive coordination among governments, communities and the private sector. We are proud to have delivered an iconic bridge that is built to withstand major seismic events and serves as an emergency lifeline route for disaster responses. We believe the new East Span represents a bridge to what's possible

# **CAUTIONARY STATEMENT**

CAUTIONARY STATEMENT

This Sustainability Report and fluor.com/sustainability contain certain statements that may constitute forward-looking statements involving risks and uncertainties, including statements about our financial condition, new awards, backlog levels and implementation of strategic initiative and organizational changes. These forward-looking statements reflect our current analysis of existing information as of the date of this report and are subject to various risks and uncertainties. Due to known and unknown risks, the company's actual results may differ materially from our expectations or projections. Additional information concerning factors that may influence our results can be found under "Item 1A. Risk Factors" in our 2013 Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission on February 18, 2014. Material is used within this document to describe issues for voluntary sustainability reporting and should not be read as equating to the use of the word in any other Fluor reporting or filings. Our 2013 Annual Report on Form 10-K and our Proxy Statement for the 2014 Annual Meeting of Stockholders may be downloaded at investor.fluor.com. No material in this Sustainability Report forms any part of those documents. No part of this report or fluor.com/sustainability constitutes, or shall be taken to constitute, an invitation or an inducement to invest in Fluor Corporation or any other entity and must not be relied upon in any way in connection with any investment decision or otherwise.

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# CAPTURING THE SUN

From polysilicon production and panel manufacturing facilities to utility scale photovoltaic (PV) power generating facilities, Fluor's 25 years in the field spans the entire commercial-scale PV value chain. Fluor provides clients in the solar industry with cost-effective solutions to power generation, generating efficient, eco-friendly benefits to meet society needs.

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### DEAR VALUED STAKEHOLDERS.

Engineering, procurement, construction, fabrication, maintenance and project management — these are the words that describe the work we do at Fluor. But our work extends far beyond this simple definition. Our employees work with governments and the leading corporations of vital industries to build the world's largest and



most technically challenging projects — projects that fuel global commerce, stimulate economic development and improve the quality of life for millions of people around the world.

In executing large, complex projects for our clients, we gain a unique perspective of the opportunities created by growth and development, as well as the economic, environmental and social issues that arise. We gain firsthand experience of the interdependencies that exist and the crucial need for collaboration between diverse stakeholders. Fluor's sustainability practices are built on this understanding and deeply ingrained in the way we do business.

In 2013, we upgraded Fluor systems to better manage our sustainability performance. We began widespread tracking of specific measures related to energy, water, waste, material use and community support so that we can better analyze and improve our economic, environmental and social performance. We also began implementation of a comprehensive talent management system to improve project staffing, identify skills gaps and provide development opportunities for employees that support our business strategies.

Fluor is committed to continually improving our sustainability practices and performance, as it benefits our stakeholders and our business.

We bring Fluor sustainability expertise to every project we undertake. From safe work practices, energy efficiency and carbon management to

anti-corruption practices and community involvement, we have established processes and best practices to guide project implementation. The Fluor Sustainability Manual, now in its fifth year of implementation in Fluor offices and projects, documents our global sustainability practices and enables our clients to make informed decisions.

We also use our engineering and construction expertise to help drive sustainable devel-

opment for Fluor's clients. In 2013, we extended our services in the renewable, nuclear and clean energy markets. Fluor was awarded its first solar photovoltaic operations and maintenance contract in Arizona. NuScale Power, a small modular nuclear reactor technology company in which we have invested, received approval for U.S. Department of Energy funding that will support its development, licensing and commercialization. And we were commissioned to design and construct a clean fuels project in Kuwait. Fluor has the experience and expertise to help our clients succeed in a world where sustainable development increasingly is the standard for doing business.

Fluor's 2013 Sustainability Report — Beyond the Blueprint — details our economic, environmental and social commitments and captures Fluor's relationship with the world. Fluor has always looked "beyond the blueprint" to improve what's possible. In 2013, we continued this practice by working with our stakeholders to achieve sustainable growth over the long term. I invite you to read our 2013 report and learn more about how Fluor is working to realize the possibilities of global economic growth and development, while managing issues that could impact our stakeholders.



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I am proud to be a part of a new World Economic Forum undertaking of the Partnering Against Corruption Initiative (PACI) announced in early 2014. PACI Vanguard is a group of 20 global CEOs of leading companies that share a commitment to

"Fluor was honored to be recognized by Fortune magazine in its 2013 World's Most Admired Companies list, earning the top ranking in the engineering and construction sector."

zero tolerance against corruption. The aim of PACI Vanguard is to achieve real impact on corruption and transparency, and level the playing field in some of the most important growth markets in the world.

As a founder of PACI in 2004, Fluor has a continuing interest in ensuring the global fight against corruption is sustained through collective action. Collective action in an anti-corruption context engages business, government and civil society to work together to address corruption in both the private and public sectors.

To that end, Fluor last year co-led the updating of the PACI Principles for Countering Bribery, which provide a framework for good business practices and risk management strategies for countering bribery. In partnership with the Organisation for Economic Co-operation and Development (OECD), the Basel Institute and other organizations, Fluor led a global effort to establish the Collective Action Hub to identify and analyze collective action initiatives and serve as an online center of excellence for utilizing those strategies. And, Fluor's work with the Business 20 (B20), a forum of global leaders producing policy recommendations for the Group of 20 (G20) world leaders, continues with participation on transparency and anti-corruption initiatives and with critical representation on B20's Infrastructure and Investment Taskforce.

These initiatives speak to Fluor's constant focus on ethical business conduct, which is central to our culture and character.

Fluor was honored to be recognized by Fortune magazine in its 2013 World's Most Admired Companies list, earning the top ranking in the engineering and construction sector. Also during 2013, Transparency International-USA recognized

us with the organization's Corporate Leadership Award for our global anti-corruption initiatives and promotion of transparency and accountability within business, government and civil society. And most recently, Fluor was named as one of Ethisphere Institute's

World's Most Ethical Companies for 2014 — for the eighth consecutive year.

We are proud of our employees who volunteered approximately 44,800 hours to community projects around the globe last year. Their efforts are a big part of Fluor's commitment to enhance the quality of life in the communities in which we operate. In 2013, Fluor, our employees and the Fluor Foundation contributed more than \$8.5 million to community initiatives, programs and employee volunteerism throughout the world.

We're excited by the possibilities we see in the future. We have a relationship with the world that drives us to turn possibilities into reality. We look forward to collaborating with our stakeholders to realize the promise of a growing economy, a healthy environment and a strong, productive society. We are committed to sustainable growth for our company, our stakeholders and our world.

Sincerely,

David T. Seaton

Chairman and Chief Executive Officer

July 2014



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Headquartered in Irving, Texas, Fluor Corporation (NYSE: FLR) is one of the world's largest publicly traded engineering, procurement, construction, fabrication and modularization, commissioning, and maintenance and project management companies. 6 G4-3, G4-5

For more than a century, Fluor, through its operating subsidiaries, has been 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 with excellence. Fluor has more than 40,000 employees and agency workers in 79 countries and performs work on more than 1,000 projects in any given year in more than 40 specialized industries. This diversified model allows us to take on the challenges of front-end engineering and design optimization, from small- and mid-sized capital projects, to complex megaprojects from concept to completion — even as economic and competitive dynamics change.

# © G4-4, G4-17

## Fluor's Diversified Business Segments

Fluor reports its results under five primary segments: Oil & Gas, Industrial & Infrastructure, Global Services, Government and Power. These segments serve clients through various operating companies, subsidiaries and joint ventures. For a complete list, refer to Exhibit 21 of Fluor's 2013 Annual Report on Form 10-K.

#### OIL & GAS

Oil & Gas designs and builds some of the world's largest and most complex upstream, downstream and petrochemical projects in remote and challenging locations around the globe. The group provides engineering, procurement, construction and construction management services for processing plants, refineries, pipelines, offshore facilities and other energy assets.

## **GLOBAL SERVICES**

Global Services provides a wide array of solutions to support projects across Fluor groups and to help clients optimize their performance in locations

all over the world. The group offers construction resources, industrial fleet and equipment services, supply chain solutions, fabrication and modularization services, and temporary professional staffing.

#### **GOVERNMENT**

Government partners with a number of U.S. government agencies, including the Departments of Defense, Energy, Labor, Homeland Security and the national security community to help them operate more effectively and efficiently. The group provides logistics services, base and facilities operations and maintenance, contingency response, and environmental and nuclear services.

#### **INDUSTRIAL & INFRASTRUCTURE**

Industrial & Infrastructure delivers projects that are the building blocks of today's urbanized world. The group serves the mining and metals, highway and rail transit, heavy civil, manufacturing and life sciences industries worldwide by providing project management, engineering, procurement, construction, and operations and maintenance solutions.

#### **POWER**

Power helps its clients generate new megawatts to meet the world's growing demand for electricity. The group designs, builds, commissions, retrofits and maintains facilities across all fuel types and technologies, including fossil fuels, renewables and nuclear, and is an expert in environmental compliance and emissions retrofit work.

# G4-9, G4-EC1

### Financial Highlights

Fluor's market capitalization on December 31, 2013, was \$13.0 billion. For 2013, revenues were \$27.4 billion with net earnings of \$668 million. Cash and marketable securities at December 31, 2013, were \$2.7 billion. Total assets were \$8.3 billion and long-term debt was \$497 million. Total shareholders' equity stood at \$3.8 billion. The total cost of revenue, which includes operating costs, was \$26.2 billion. New awards for the year were \$25.1 billion and year-end backlog was \$34.9 billion.



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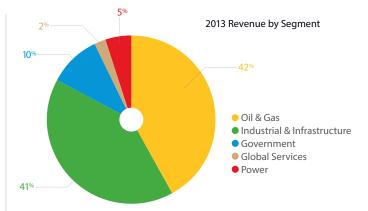
Employees & Workplace

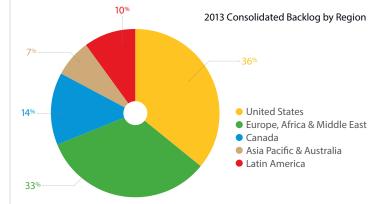
Health, Safety & Environment

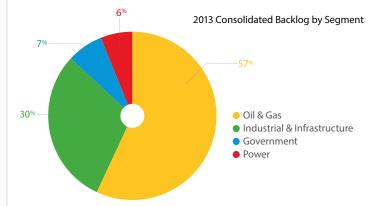
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Fluor provides financial information, including revenues, cost of revenues, cost of capital (including interest expense and dividends to shareholders), corporate general and administrative costs (including compensation costs) and retained earnings, in its quarterly and annual filings with the U.S. Securities and Exchange Commission. Detailed information about Fluor's operations is available in the company's 2013 Annual Report on Form 10-K.

# G4-9, G4-10

# Our Global Workforce

Fluor is a FORTUNE 200 company with a year-end 2013 global workforce of 40,862 employees — with

29,425 salaried employees and 11,437 craft, hourly and agency workers. In 2013, our salaried workforce was 75 percent male and 25 percent female.

#### G4-13

# Significant Corporate Changes in Reporting Period BOARD OF DIRECTORS

Lynn Swann, president of Swann, Inc., trustee of American Homes 4 Rent and director of Caesars Entertainment Corporation, joined the board in November 2013.

#### **MANAGEMENT**

There were no executive-level personnel changes in 2013.

## G G4-24, G4-25

### STAKEHOLDER ENGAGEMENT

As a global services company focused on the engineering and construction of highly complex capital projects, we recognize that our stakeholders are critical to our success. These include clients; communities; employees and union organizations; institutions, governments and legislators; nongovernmental organizations; shareholders; and subcontractors, suppliers and industry associations.

Many of the priorities associated with sustainability at Fluor are a result of our ongoing interactions and interface with our customers. Clients rely on Fluor to help them

address their sustainability challenges and issues, including the need to improve energy efficiency, reduce greenhouse gas emissions, and design and build more environmentally friendly, less costly manufacturing facilities. We know from experience that they place a premium on ethical business conduct; high levels of employee knowledge and expertise; excellence in health, safety and environmental matters; and a proactive approach to community involvement. We place a special emphasis on those areas that we consider to be essential to our clients' business success.



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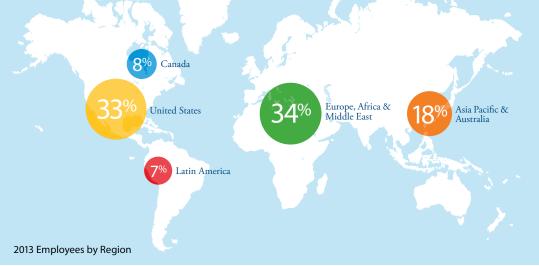
Health, Safety & Environment

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We use various channels to interact and communicate with our key stakeholders. Internally, we have various communications and feedback channels in place as well as a global online collaboration platform to encourage enterprise-wide information exchange. Externally, we engage with clients and other stakeholders through our day-to-day project operations as well as through memberships and involvement with numerous international, regional and local industry associations.

More information about our engagement can be found in the progress reports on pages 14, 19, 20, 24, 33 and 36.

# G4-16

# 2013 SUSTAINABILITY-RELATED MEMBERSHIPS AND ASSOCIATIONS

Listed below are the principal associations and initiatives with which Fluor is involved at a global, company-wide level in the areas of sustainability:

- American Society of Civil Engineers, Committee on Sustainability (United States)
- World Economic Forum (WEF) Global Agenda Council on Anti-Corruption & Transparency and PACI chair
- B20 Coalition's working group on Improving Transparency and Anti-corruption and member, B20 Infrastructure and Investment Taskforce
- United Nations (U.N.) Global Compact, signatory
- World Business Council for Sustainable Development

Additional memberships of note are included in the progress reports on pages 14, 20, 25, 33 and 36.



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Fluor has published a sustainability report annually since 2008. Prior year Sustainability Reports are available online at http://www.fluor.com/sustainrep. © G4-29, G4-30

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Fluor's annual sustainability report features quantitative and qualitative data for calendar year 2013, with additional material from previous years or related to important events or notable information available in 2014 prior to the publishing of the report. This report should be used in conjunction with the information contained in our 2013 Annual Report on Form 10-K and our Proxy Statement for the 2014 Annual Meeting of Stockholders.

G4-15

Fluor's sustainability report serves as Fluor's annual Communication of Progress under the U.N. Global Compact. The U.N. Global Compact is a leadership platform for companies everywhere to voluntarily align their operations and strategies with 10 universally accepted principles in the areas of human rights, labor, environment and anticorruption, and to take action in support of U.N. goals and issues. Fluor became a signatory to the U.N. Global Compact in 2009. According to the U.N., there are more than 12,000 signatories based in 145 countries.

Fluor used the Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines as a guide for developing this report. In determining content, Fluor's Sustainability Committee considered the company's mission and experience, as well as the reasonable expectations and interests of our stakeholders, key among them, Fluor's clients. This formed the basis for a materiality analysis, as advocated by the GRI report development process. This sustainability materiality analysis is separate and distinct from the company's analysis of materiality for other legal and financial reporting purposes, including U.S. Securities and Exchange Commission disclosures.

Fluor's sustainability report covers information that reflects our overall company strategies, goals and priorities and includes data that are reasonably available.

#### MATERIALITY ANALYSIS: SCOPE AND BOUNDARY

© G4-19, G4-20, G4-21

For all of our material aspects identified, the related data and performance information presented in

this report cover Fluor's global operations as a company, unless otherwise noted for situations or circumstances where reporting data are collected and available only for a certain geography, business or issue. Financial figures cover our operations as set forth in our Annual Report on Form 10-K. All financial figures are

presented in U.S. dollars unless otherwise noted.

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.



# MATERIALITY AND REPORTING PROCESS

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Fluor has prepared this report under the direction of the company's Sustainability Committee. Materiality of content included in this 2013 Sustainability Report and its prioritization were assessed and determined by committee members.

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.



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No significant changes in reporting scope, boundary or measurement methods occurred during 2013. One re-statement of information from prior reports occurred during 2013. Fluor changed the measurement method for G4-11, to provide additional transparency and to align with the GRI reporting requirements. The percentage of union labor is based on Fluor total U.S. workforce. In prior years, this percentage was based on total U.S. direct hire (craft only) workforce data.

The GRI G4 aspects shown on page 11 have been determined by the Sustainability Committee to be relevant, or material, to Fluor's operations.

In this document, Fluor reports on the GRI G4 indicators that were relevant to our business operations and measurable in 2013.

#### ALIGNMENT WITH GRI G4 GUIDELINES

GRI is an international nonprofit organization that promotes the use of sustainability reporting as a way for organizations to become more sustainable and contribute to sustainable development. GRI provides all companies and organizations with a comprehensive sustainability reporting framework that is widely used around the world.

G4 is the latest version of GRI's Sustainability Reporting Guidelines.

GRI's guidelines offer two options for an organization to prepare its sustainability report in accordance with the guidelines: core and comprehensive. These options designate the content that is included for the report. According to the GRI, the core option contains the essential elements of a sustainability report and provides the background against which an organization communicates the impacts of its economic, environmental and social and governance performance. The comprehensive option builds on the core option by requiring additional standard disclosures of an organization's strategy and analysis, governance, and ethics and integrity. In addition, the reporting organization is required to communicate its performance more extensively by reporting on all indicators related to identified material aspects.

For a full explanation of the GRI guidelines, visit www.globalreporting.org.

## G4-32

Fluor's 2013 Sustainability Report is considered by the company to be in accordance with GRI G4 Core Guidelines.

### G4-33

Fluor did not employ an external agency or organization to audit this report. External assurance, where available, is noted in the GRI Content Index, located on pages 38-63. Fluor's Chairman and CEO has appointed Hans Dekker, one of the company's executives, to serve as the chair of Fluor's Sustainability Committee and to lead an internal team of subject matter experts in their development of the report, which is reviewed by the CEO.

#### © G4-31

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

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ASPECT	BOUNDARY (WITHIN/OUTSIDE THE ORGANIZATION)
ECONOMIC	
Economic Performance	Within and outside
Market Presence	Within the organization
Indirect Economic Impacts	Within and outside
Procurement Practices	Within and outside
ENVIRONMENTAL	
Energy	Within and outside
Emissions	Within and outside
Effluents and Waste	Within and outside
Compliance	Within and outside
Transport	Within and outside
Supplier Environmental Assessment	Within and outside
Environmental Grievance Mechanisms	Within and outside
SOCIAL – LABOR PRACTICES AND DECENT WORK	
Employment	Within and outside
Labor/Management Relations	Within and outside
Occupational Health and Safety	Within and outside
Training and Education	Within and outside
Diversity and Equal Opportunity	Within and outside
Equal Remuneration for Women and Men	Within and outside
Supplier Assessment for Labor Practices	Within and outside
Labor Practices Grievance Mechanisms	Within and outside
SOCIAL - HUMAN RIGHTS	
Investment	Within and outside
Non-discrimination	Within and outside
Freedom of Association and Collective Bargaining	Within and outside
Child Labor	Within and outside
Forced or Compulsory Labor	Within and outside
Security Practices	Within and outside
Indigenous Rights	Within and outside
Assessment	Within and outside
Supplier Human Rights Assessment	Within and outside
Human Rights Grievance Mechanisms	Within and outside
SOCIAL - SOCIETY	
Local Communities	Within and outside
Anti-corruption	Within and outside
Public Policy	Within and outside
Anticompetitive Behavior	Within and outside
Compliance	Within and outside



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Thuor was honored with a number of external recognitions in 2013 for its sustainability performance, including:

#### CORPORATE

- Fluor was proud to rank number one in the engineering and construction sector for Fortune magazine's "Most Admired Companies" list.
- Fluor was ranked number one in Engineering News-Record magazine's 2013 list of Top 100 Design-Build Firms and number two on its Top 400 Contractors list.

### **ETHICS & COMPLIANCE**

- Fluor was awarded the Transparency International-USA Corporate Leadership Award for its contributions to combating corruption internationally and demonstration of the elements of a world-class ethical culture.
- The American institute of Chemical Engineers (AIChE) honored Fluor Chairman and CEO David Seaton for Excellence in Ethics.
- Fluor was included on the "World's Most Ethical Companies" list by the Ethisphere Institute for its leadership in promoting ethical business standards. Fluor is one of 23 companies to be honored every year since the list's inception in 2007.

## **HEALTH, SAFETY & ENVIRONMENT**

- Fluor's El Segundo Cogeneration project received Chevron's Safety Recognition Award.
- Imperial Oil and ExxonMobil recognized Fluor's Kearl Oil Sands Expansion project with the ExxonMobil Development Company's President's Award for Security, Safety, Health and Environmental performance.
- BP recognized Fluor's BP Whiting Refinery Modernization project for its strong safety culture.
- The U.S. Department of Energy (DOE) honored Fluor employee Anthony Umek with the DOE Volunteer Protection Program (VPP) Champions Award.
- Fluor Federal Services won the DOE VPP Legacy of Stars Award for the second consecutive year.
- The Fluor/Kennecott Copper Smelter project received the Utah Mining Association Safety Award.

- · The I-495 Express Lanes in Northern Virginia, a joint venture project between Fluor and Lane Construction, was named Engineering News-Record Mid-Atlantic Best Project in Excellence in Safety and given the magazine's Award of Merit for Highways/ Bridges. This project also received the Construction Management Association of America's Project Achievement Award in the Infrastructure-Constructed Value Greater Than \$150 Million category.
- Fluor's Santiago, Chile, office received safety recognition from Mutual de Seguridad.
- Fluor's operations in the United Kingdom were awarded the Order of Distinction from the Royal Society for the Prevention of Accidents in recognition of 22 consecutive years of Gold Medals for excellence in health and safety.
- The National Safety Council Safety named Fluor Chairman and CEO David Seaton to its 2013 CEOs Who "Get It" list, an annual recognition of leaders who demonstrate world-class safety.

#### **COMMUNITY & SOCIAL SERVICES**

- Fluor received the following recognition from several community-based United Ways in 2013:
  - United Way of Greenville County No. 1 **Employee and Corporate Campaign** (United States)
  - United Way of Calgary Spirits of Gold Awards -Engineering Challenge (Canada)
  - United Way of Greater Houston Chairman's Division Silver (United States)
- The Boys & Girls Clubs of Capistrano Valley honored Fluor with its Champion of Youth Award. (United States)
- Fluor received the Philanthropic Spirit Award from the Community Foundation of Greenville, TOWN magazine and Greenville Journal. (United States)
- Public Education Partners named Fluor the Public Education Partner of the Year. (United States)



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## HARNESSING THE WIND

Fluor's experience in harnessing wind to generate electricity, along with Fluor's ability to provide wind turbines, heavy steel structures and other critical supply chain elements to complex locations, for both offshore and onshore farms, provides clients with the certainty needed to ensure projects are properly connected to the grid and maintain full production.

# Ethics & Compliance

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luor believes a strong commitment to ethics and compliance drives responsible L' behavior and enhances financial performance. Corruption, anti-competitive behaviors and non-compliance are ethical issues that have significant repercussions for Fluor's long-term success. In particular, corruption is an issue for our industry and many of the industries we serve. Fluor is committed to conducting our business ethically and advancing the anti-corruption agenda.

# **OUR APPROACH**

Our comprehensive ethics and compliance program guides our employees and business partners and enables us to manage our compliance and ethics risks. This dynamic program involves leadership and oversight, risk assessments, policies and procedures, extensive communication and training programs, monitoring, reporting and other initiatives. We continually improve and enhance our ethics and compliance program by monitoring our evolving risks and benchmarking best practices in our company, industry and the global business community.

We believe collective action is critical to affect positive change. Fluor takes a leadership role in external initiatives focused on eliminating corruption and bribery, creating a level playing field for businesses and engaging governments.

# STAKEHOLDER ENGAGEMENT

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Our employee engagement efforts are designed to equip our employees with the information and resources they need to make the right decisions. Fluor's Code of Business Conduct and Ethics is the primary resource for employees to use before making decisions or taking actions. We provide Code training to all employees during onboarding, require periodic refresh Code training and annual Code certification, as well as provide other riskbased ethics and compliance training. We also engage employees through face-to-face training, videos, web conferences, emails, newsletters and online resources. These resources, together with our strong ethical tone at the top of our organization and throughout Fluor leadership, engage our employees in a culture of ethics and compliance.

We engage with our clients, joint venture partners, suppliers and subcontractors on ethics and compliance as part of our regular business processes. Our

clients value our ethical culture and innovative programmatic solutions in our delivery of their projects around the world. We seek to do business only with third parties who share our standards and values, and we conduct due diligence on those third parties. Our suppliers and subcontractors are required to meet Fluor's Code of Business Conduct and Ethics Expectations for Suppliers and Contractors and, in turn, require their suppliers and contractors to conform. Our mutual success and continuing business relationships depend on it.

G4-16

Listed below are the principal ethics and compliance associations and initiatives in which Fluor was involved in 2013:

- · World Economic Forum
  - Global Agenda Council on Anti-Corruption and Transparency
  - PACI, board seat and additional leadership participation
- B20 Task Force on Improving Transparency and Anti-Corruption, co-chair
- Asia-Pacific Economic Cooperation The Hanoi Principles for Voluntary Codes of Business Ethics in the Construction and Engineering Sector and related initiatives
- Confederation of Indian Industries The New Delhi Principles for Voluntary Codes of Conduct in the Construction and Engineering Sector and related initiatives
- · The Corporate Executive Board's Compliance and **Ethics Leadership Council**
- The Conference Board's Global Council on **Business Conduct**
- Ethics and Compliance Officers Association, sponsoring partner
- Ethics Resource Center, contributing fellow
- · Society of Corporate Compliance and Ethics
- · Business Ethics Leadership Alliance



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#### THE POWER OF COLLECTIVE ACTION

Corruption is estimated to increase the cost of doing business on a global scale by up to 10 percent according to The Business Case Against Corruption, a joint publication by the International Chamber of Commerce, Transparency International, the U.N. Global Compact and PACI. According to Transparency International, our industry and many of the industries we serve are considered among the most corrupt. Our work involves many third parties and many government touch points in high-risk geographies.

We take leadership roles with external stakeholders to advance the anti-corruption agenda through collective action.

#### PACI

Fluor helped found the World Economic Forum's PACI in 2004, and has been active with PACI ever since. In 2013, Fluor co-chaired the committee to rewrite the PACI Principles, to which Fluor remains a signatory, contributed to the development and launch of the PACI Good Practices Guidelines on Conducting Third-Party Due Diligence and continued as board delegates. Fluor Chairman and CFO David Seaton continued to serve as a PACI board member and was chosen to serve as chairman of the newly formed PACI Vanguard, a group of 20 CEOs who will work to support the implementation of the OECD Convention on Combating Bribery with G20 countries and others.

# **B20 Task Force on Improving** Transparency and Anti-Corruption

Seaton remains co-chair of the B20 Task Force on Improving Transparency and Anti-corruption, which met in Russia in 2013. Seaton chaired the work stream on collective action with the mission of fostering the use of collective-action strategies as a key mechanism for fighting corruption in each G20 country. In collaboration with the Basel Institute, the U.N. Global Compact and other partners, the work stream created a global B20 Collective Action Hub to serve as a central repository of best practices in collective action worldwide and as a reference to groups that desire to employ collective-action strategies in the fight against corruption.

## Transparency International

Fluor continues to partner with Transparency International, which also sits on PACI's Board. In 2013, Fluor provided the private sector perspective for the introduction of Transparency International's Assurance Framework for Corporate Anti-Bribery programs, and is serving as a pilot for the framework testing.

# **U.N. Global Compact**

Fluor became a signatory to the U.N. Global Compact in 2009 in the belief that the Global Compact's Principles reflect Fluor's operating philosophies, standards and processes. Fluor took a leadership role in serving on the steering committee of the U.N. Global Compact's 10th Principle on Anti-Corruption. In 2013, Fluor reconfirmed its commitment to the Global Compact.

#### *Industry Collective Action Efforts*

Fluor has collaborated on several industryfocused initiatives to develop codes of conduct for small to medium enterprises in the engineering and construction industry, as well as training and other initiatives to improve ethics and compliance in our industry throughout the world.

# India

Fluor continued to collaborate with the Confederation of Indian Industries and the U.S. Department of Commerce to roll out The New Delhi Principles for Voluntary Codes of Conduct for the Engineering and Construction Sector, the set of business ethics principles that Fluor previously helped develop for small to medium enterprises in the engineering and construction sector there.

#### Asia Pacific

Fluor continued collaboration with the Asia-Pacific Economic Cooperation (APEC) and the U.S. Department of Commerce to roll out The Hanoi Principles for Voluntary Codes of Business Ethics in the Construction and Engineering Sector, the set of business ethics principles that Fluor previously helped develop for small to medium enterprises, with related training curriculum. The training was used for the first time in August 2013 in Kuala Lumpur to teach industry representatives from throughout the APEC region and Myanmar, Laos and Cambodia.



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#### Africa

Fluor collaborated with the U.S. Department of Commerce on, and participated in, the 2013 U.S.-Sub-Saharan African Trade and Economic Cooperation, commonly known as the AGOA Forum. We also continued to work with the U.S. Department of Commerce to identify regions or countries in Africa for the rollout of engineering and construction industry codes of conduct for small to medium enterprises.



### **RISK MANAGEMENT**

© G4-SO3

We think our best risk mitigation starts with our culture of ethics because it supports good decision-making. In addition, Fluor employs robust risk-management programs throughout the company to meet the challenges inherent in an industry with a fluid project base and quickly evolving risks. Our approach is to use a rigorous process to identify potential risks that might occur during project execution and develop risk-mitigation strategies that proactively address these risks.

Fluor's Business Risk Management Framework is a formalized and systematic process for the company to assess, manage and monitor project business risks. Before we begin pursuit of new project opportunities, we employ this framework to assess a project's potential risks and profitability. "Bid/No Bid" decisions on contract pursuits are based on the analysis of a project's profile. All of our operations are assessed for corruption-related risks. This evaluation contains many specific questions focused on corruption such as: What is the location of a project? What is the business culture? What third parties are locally required? What are the government touch points? We will not pursue a project if we determine it cannot be executed without violating our ethics

and compliance standards. For the projects we pursue, we proactively develop and implement mitigation strategies for risks with the potential to affect our company and stakeholders.

Due to the nature and locations of our work, our two most significant corruption risks stem from the large number of third parties with which we work and our frequent contact with governments around the world.

## **OUR CODE AND EXPECTATIONS**

© G4-56

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. Available in eight

#### A HEALTHY ETHICAL CLIMATE

In 2013, we engaged the CEB RiskClarity: A Corporate Integrity Service,™ as we did in 2009 and 2011, to measure the company's ethical culture and susceptibility to misconduct. Utilizing the RiskClarity service, CEB surveyed a sample of Fluor's employee population from different business groups, functions, levels and geographic regions. Survey questions address areas such as comfort speaking up, organizational justice, direct manager leadership, tone at the top, openness of communication, departmental climate and clarity of expectations. CEB RiskClarity provides an Integrity Index score to serve as a proxy for ethical climate and a benchmark score based on responses. The 2013 RiskClarity benchmark comprises more than 255,000 individuals from 27 companies.

In 2013, Fluor scored above the RiskClarity benchmark in all areas and consistently trended up in all Integrity Risk Assessment areas from its survey scores in 2009 and 2011. In terms of misconduct observed and reported, Fluor employees observed misconduct at a lower rate than the 2013 RiskClarity benchmark and trended down from observed misconduct in our 2009 and 2011 surveys. And Fluor employees reported any observed misconduct at a higher rate than the 2013 RiskClarity benchmark and trended up from the reporting rate in our 2009 and 2011 surveys.

Companies with higher ethical cultures not only have more favorable compliance outcomes around observed and reported misconduct, but CEB research also indicates that a strong ethical culture can increase levels of employee productivity and better strategic management.



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languages, our Code is continuously evaluated and updated. As a result, Fluor and its employees are widely recognized for doing the right things.

Given our risk profile, Fluor's anti-corruption program is extensive. Fluor prohibits all forms of commercial bribery, and our employees are asked to be especially vigilant when dealing with public sector officials. Our Anti-Bribery and Corruption Policy provides clear standards for employees — Fluor will not tolerate bribery in any form. Facilitation payments are prohibited unless pre-approved in writing by Fluor's law department, allowed under all applicable anti-corruption laws, and properly and accurately recorded, as outlined by the PACI Principles.

We expect all of our suppliers and subcontractors, and their supply chains, to maintain high ethical standards in compliance with Fluor's Business Conduct and Ethics Expectations for Suppliers and Contractors. We conduct due diligence when selecting suppliers and subcontractors, and routinely monitor our business relationships and address any red flags that arise.

Our anti-corruption policies and requirements are also communicated to joint venture partners and agents. We conduct due diligence when selecting joint venture partners and agents, and routinely monitor our business relationships and address red flags that arise. Fluor limits the number of third-party agents by relying primarily on our internal sales staff. Agents are required to periodically certify to us their adherence to our anti-corruption requirements.

#### COMMUNICATION AND TRAINING

© G4-SO4

Communication and training are among the most critical components for the success of any ethics and compliance program. Fluor's communication and training program has a multi-topic curriculum for employees to understand the risks and controls that apply to their positions.

All of Fluor's salaried employees globally have received Code training, including communication and training on anti-corruption policies



and practices and other key risk areas. Members of Fluor's board of directors also have received communication and training on Fluor's anticorruption policies and practices. In 2013, more than 8,000 employees participated in additional specialty, web-based ethics/compliance training modules and 2,200 employees participated in face-to-face ethics/compliance training, including project-specific, anti-corruption training, as well as other classes focused on ethics and compliance risk areas for targeted employees and directors.

#### **MONITORING**

Fluor conducted its annual Code of Business Conduct and Ethics Certification in 2013. All of the company's salaried employees globally confirmed their understanding of and commitment 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 regular and special audits throughout the world. The team also reviewed our ethics and compliance program.

#### SEEKING ADVICE AND REPORTING CONCERNS

G G4-57, G4-58

It is of the highest importance to Fluor that employees seek guidance if they are ever unsure about the right thing to do in a business situation and are willing to readily report concerns about suspected unethical behavior. In addition to having the opportunity to speak with their immediate supervisor, others in management, Human Resources, Industrial Relations, a Fluor subject matter expert or an investigating department, our



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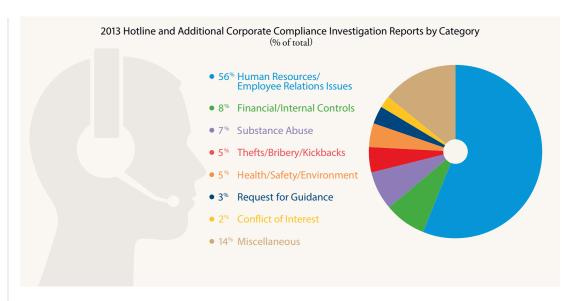
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company has in place a toll-free Compliance and Ethics Hotline, including website-reporting mechanisms, to facilitate reporting ethics and compliance concerns anonymously where permitted by local law. Managed by a third-party company, Fluor's Compliance and Ethics Hotline is available 24 hours a day, seven days a week, with translation and interpretation support in more than 180 languages.



G4-SO5

During 2013, a total of 853 reports were received. In all cases where the reports were substantiated, disciplinary and/or corrective actions were taken. Hotline and additional corporate compliance and ethics investigation reports by category are shown above.

Clients, partners, suppliers and subcontractors also are encouraged to report any suspected misconduct involving or affecting Fluor, whether or not the concern involves the supplier or contractor, by contacting their Fluor representative, Fluor's Chief Procurement Officer or Fluor's Compliance and Ethics Hotline.

Our goal is for every employee to feel confident in seeking advice and reporting any good faith ethical concern without fear of retaliation, and to conduct timely and thorough investigations in order to maintain our high standards for ethics and compliance. Fluor maintains a Compliance and Ethics Policy Regarding Reporting, Investigations and Corrective Actions as well as our Investigation Protocols and trains our internal investigators.

# Governance

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Thuor believes effective corporate governance principles promote fairness, Transparency, responsiveness and accountability. Conducting our business in accordance with these types of corporate governance principles strengthens our stakeholder relationships, enhances our reputation and supports the long-term success of our business. We believe this is especially important given increased shareholder focus on corporate governance and growing regulatory requirements.

# **OUR APPROACH**

G4-37

Fluor's board of directors annually reviews the company's corporate governance policies and practices against those suggested by various corporate governance analysts and the practices of other public companies. The changes we have made to our governance principles in the last three years are indicative of the effectiveness of these reviews and our commitment to shareholder accountability. Enhancements include:

- Completed transition to declassified board -We have completed the process of declassifying our board of directors, with all members elected on an annual basis beginning with the 2014 annual meeting.
- Granted shareholders the right to call a special meeting – In 2012, Fluor's board, with the approval of shareholders, amended the company's Certificate of Incorporation to grant holders of at least 25 percent of outstanding shares of common stock the right to call a special meeting of shareholders.
- Removed supermajority provisions We removed supermajority voting provisions from our Certificate of Incorporation and bylaws, and replaced them with majority voting provisions.

# STAKEHOLDER ENGAGEMENT

G4-26, G4-27

Fluor engages with its shareholders on an annual basis and as questions arise on governance issues, including those related to executive compensation. We proactively seek input from shareholders prior to our annual shareholder meeting and we respond throughout the year to shareholder calls and letters. We also engage shareholders and others in the investment community through regular investor relations activities.

#### **BOARD INDEPENDENCE AND DIVERSITY**

G4-38, G4-39

Fluor's dedication to sound corporate governance begins with strong board leadership and an independent and fully informed board of directors. With the exception of our chairman

and CEO, 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 including the compensation policy for executive officers, succession planning, the company's methods of risk assessment and risk mitigation strategies, corporate governance guidelines, policies and practices, the director nominations process, corporate finance strategies and initiatives, and the integrity of the company's financial statements and internal controls over financial reporting.

G4-40

The board believes directors should possess a diverse range of educational, business and cultural experience, adding to the board's depth and breadth for the benefit of shareholders. Accordingly, our directors have experience in industries in which the company operates, such as oil and gas, power and government contracting, or have particular skills that are beneficial to the company's business, such as knowledge of financial matters, risk oversight and compliance, and familiarity with non-U.S. markets.

© G4-LA12

In its annual review of the skills and characteristics required of board members, the board also considers diversity of thought and background including gender, race, ethnicity and age. Currently, our board includes two female members, one Hispanic member and one African-American member.

More information on our board can be found in our 2014 Proxy Statement for the Annual Meeting of Stockholders filed with the U.S. Securities and Exchange Commission on March 11, 2014, which is available at investor.fluor.com.



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Luor has more than 40,000 employees and agency workers operating **L** on six continents around the world. Our ability to conduct business on this scale begins with having a skilled, qualified and diverse workforce operating in a safe, ethical workplace. Effective employment practices, training and education, diversity and equal opportunity, and an ongoing commitment to human rights are material aspects that enable Fluor to attract and retain talented employees and sustain its global workforce.

#### **OUR APPROACH**

Fluor has a comprehensive human resources (HR) strategy that facilitates employee attraction, development and retention. We establish fair work practices, offer competitive market-based wages and benefits, and provide programs for employees to build their talents and skills. Fluor's policies, procedures and practices support its commitment to various aspects of human rights and create opportunities for every employee to be productive and secure, earn a fair income and develop professionally regardless of race, color, age, gender, nationality, religion or any other factor protected by law.

In 2013, Fluor began implementation of an integrated talent management system that will capture the technical and functional skills of its workers on a global basis. The system centralizes and integrates a number of components including performance management, succession planning, learning management, employee skills and compensation. The system is designed to streamline project staffing, highlight existing skill gaps and enable the company to execute employee-development strategies that are consistent with business needs.

# STAKEHOLDER ENGAGEMENT

G G4-26, G4-27

Fluor engages its employees through multiple global communication channels including its intranet, local events, management meetings, Compliance and Ethics Hotline, annual performance reviews, and an open-door policy that encourages dialogue within and across organizational levels. Employees have many opportunities to offer ideas, discuss interests and raise concerns. During the past year, we continued the implementation of technology-based tools, including videoconferences and webcasts, to improve collaboration across the organization. In addition, Fluor has formal committees

to facilitate employee engagement in certain locations, such as European Works Councils.



G4-16

Fluor holds local, national and global memberships in numerous HR, management and professional organizations. These memberships help the company engage with other stakeholders on employee-related practices. The following list provides a sample of the variety of organizations included.

- American Council on International Personnel (ACIP) (United States)
- · Apprenticeship Carolina, part of the National Apprenticeship Program (United States)
- Associate Builders and Contractors: Texas Gulf Coast, Greater Houston and Pelican Chapters (United States)
- · Catalyst (United States and India)
- Conference Board council participation, HR Executive Leaders, Leadership Development and Global Diversity and Inclusion Executives (United States)
- Construction Benefits Group (United States)
- International and American Council of Benefits (Global)
- National Association of Colleges and Employers (NACE) (United States)
- National Engineers Week Foundation Leadership Council Member (United States)
- Philippine Business for Social Progress (Philippines)

# **HUMAN RIGHTS**

Fluor's strong commitment to ethics and compliance sets the parameters for human rights and fair labor practices that apply across the company. Fluor's Code of Business Conduct and Ethics for employees and Fluor's Code of Business Conduct and Ethics Expectations for Suppliers and Contractors provide general guidance on human rights, and child and forced labor. Employees are required to annually certify compliance with



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the Code, and training is offered and available for employees on human rights issues. Fluor encourages employees and other stakeholders to report any activities that are not in compliance and provides reporting mechanisms including an anonymous, toll-free Compliance and Ethics Hotline. More information on our ethics and compliances policies and practices can be found in the Ethics & Compliance section of this report.

#### G4-HR2

Fluor expects that employees will treat each other with dignity and respect as stated in our company policy. Fluor does not track data related to employee training on human rights policies or procedures.

## Child Labor

**G** G4-HR5

Fluor observes and abides by minimum age laws and regulations prohibiting the hiring of underage persons on any of its projects or in any global offices, and the company's policies and practices are reflective of this approach. The company has legitimate internships, apprenticeships and other related programs and strives to ensure that all programs meet laws and regulations related to hiring and compensation. The company does not utilize or support child labor in any way, and all Fluor employees are above the legal age for the country in which they are employed. Fluor follows standard requirements in all countries in which it operates to follow local laws and regulations are being met regarding worker age requirements. The company has no incidents of child labor and does not believe any of its operations or its suppliers' and subcontractors' operations are at risk for an incident or violation.

# Forced or Compulsory Labor



Fluor in no way promotes, condones, practices or tolerates the use of forced or compulsory labor, human trafficking or sale of sexual acts of any kind, and the company's policies and practices are reflective of this approach. The company takes measures to adhere to all applicable local laws and regulations regarding forced or compulsory labor, including those related to wages and benefits. Fluor does not publicly report incidents or violations. The company has no knowledge of any significant risks for compulsory or forced labor incidents in any of its operations or its suppliers' and subcontractors' operations.

#### Non-discrimination

G4-HR3

Fluor values every member of its workforce and has policies that promote a workplace where every person is treated with dignity and respect. The company has measures in place to recruit, hire, develop and retain employees based upon specific job-related specifications, including experience, qualifications and other criteria. It is Fluor's policy to cultivate an environment that does not unlawfully discriminate on the basis of race, color, age, sex, sexual orientation, religion, national origin, disability, veteran status, genetic information or any other criteria protected by local, state, federal or country-specific law. All leaders, managers, supervisors and employees are expected to observe practices that maintain an environment free from any form of unlawful discrimination and harassment. Managerial and supervisory training courses contain company and location-specific requirements. The company also employs an open-door policy to foster direct communication between employees and management. Employees may choose to discuss any concerns with their immediate supervisors, or they may contact their office or project Employee Relations representatives at any time. To help all employees understand and practice behaviors that exemplify inclusion in the workplace, the company offers courses on diversity and inclusion, and includes definitions of expected conduct within its policies, procedures and practices to encourage respectful behavior among employees. Fluor does not publicly report information on specific discrimination incidences or corrective actions.

# Union/Collective Bargaining

© G4-11, G4-HR4

Fluor believes that having a collaborative work environment benefits all involved parties, including employees, clients and shareholders. The company acknowledges employees' legal rights to choose without fear of retaliation, coercion or harassment, whether or not to join third-party organizations. These rights are in accordance with the law related to third-party involvement, which may include labor unions and/or trade unions, in countries in which we work. The company periodically meets and collaborates with such organizations in formal and informal settings. Approximately 15 percent of Fluor's U.S. workforce is covered by collective bargaining agreements. However, this percentage fluctuates as our project-based workforce changes. Fluor managers and employees



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are given instruction and periodic training about these rights. Fluor does not collect and aggregate global data on specific operations or suppliers in which collective bargaining or the right to freedom of association may be violated or at significant risk.

## Security

Fluor maintains its strong commitment to a workplace free from acts of violence, threats of violence, harassment or any other disruptive behavior by establishing programs that promote the highest standards of employee safety and security. This includes a zero-tolerance policy that prohibits actual or threatened violence by employees against co-workers, visitors or others who have contact with employees during the course of their duties. Where applicable, Fluor takes the necessary steps to provide that its security personnel receive training on company policies and procedures that relate to human rights issues and to familiarize them with potential concerns that may be relevant to company operations around the globe. The company does not report incidents or violations publicly regarding human rights.

#### LABOR PRACTICES AND DECENT WORK

Sustaining a globally engaged and high-performing workforce requires effective employment practices related to recruiting and hiring, compensation, benefits, and training and development.

### Recruiting and Hiring

Fluor makes a concentrated effort to hire and train local employees, including senior managers, in its office and project locations. By hiring locally, we demonstrate our commitment to sustaining the communities where we work. We participate in marketing campaigns, career fairs and government and community activities to help ensure the company maintains a strong local presence. Fluor's Talent Investment Program rewards current employees for referring local candidates who subsequently are hired for select positions.

Fluor values the diversity of its employees and regards a diverse workforce as a competitive advantage. In the United States, we have a variety of outreach efforts for underrepresented groups, including participation in local, regional and national job fairs that promote job opportunities to specific demographics.

### Compensation and Benefits

Fluor monitors its total compensation approach in order to maintain competitive compensation and benefits. We calibrate employee compensation to meet local market standards and comply with legal requirements, such as minimum wage laws, that have been established by governing bodies. We provide fair compensation for all employees, considering factors such as business need, economic conditions, individual job responsibilities and personal performance.

#### G4-LA2

In most of the company's significant locations, Fluor provides life insurance, health care, disability coverage and retirement benefits to the company's salaried employees. In countries that also have part-time employees, they may participate in these benefits.

#### Training and Development

Fluor provides training and development programs and processes that give employees an opportunity to advance their careers over the long term and stay relevant in ever-changing job market conditions.

## G4-I A11

Fluor utilizes an electronic, standardized employee performance assessment process that spans the entire company. This assessment measures all employees on 12 essential core skills. All eligible employees are expected to receive performance assessments. In 2013, 93 percent of eligible employees received assessments. We shifted our performance management design in 2013 to accommodate forward-looking goals and objectives that are tied to corporate strategies. We believe that aligning individual goals with corporate goals can drive greater employee engagement and greater success for Fluor.

Fluor thinks of learning as a continual, ongoing activity for employees. We have formal educational programs that increasingly include video distance and online learning in addition to instructor-led workshops. Most of these activities take place within Fluor University, a virtual institution governed by an internal board of directors reporting to a senior executive. Last year, our salaried employees participated in a wide variety of instructor-led sessions, online training courses, informal training opportunities and video distance learning classes.



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#### © G4-LA9

Training hours for salaried employees are tabulated solely based on the number of participants who attend each type of course. Numbers related to gender and employee category are not tracked. In 2013, training hours for instructor-led training totaled 92,337 for 10,290 employees, for an average of eight hours of live training per employee participant. For online training, 140,789 total hours were completed, while our video distance learning classes totaled 18,673 hours.

In addition to our salaried workforce, a sustainable, skilled craft workforce is essential to our self-perform construction capabilities. In 2013, we expanded craft training programs and leveraged key partnerships with other institutions to ensure sustainable training opportunities. Given the high level of construction activity in the Texas Gulf Coast region in the United States, we established key initiatives in the region. For example, we provided onsite skills training to more than 340 craft employees in carpentry, rigging, heavy equipment operation, electrical, welding and field supervision disciplines on a self-perform project in Freeport, Texas. Fluor also partnered with the Louisiana Workforce Commission and teamed with Brazosport College in Texas to apply for a grant from the Texas Workforce Commission to support additional craft skill development. These types of initiatives help build the local talent pool for construction employees by providing training opportunities to local residents in communities where a high volume of construction will take place over the coming years.

# © G4-LA10

The identification and development of highperforming employees continues to be a priority at Fluor. We offer a formal development process in which these employees are mentored and

their progress tracked. In addition to standard training offerings, Fluor provides development opportunities to enhance its leadership pipeline.

In 2013, we expanded our Global Business Leader Track program to include a blended learning course for improving financial acumen. This is a partner program with Harvard Business Publishing that will incorporate small-group work, live Harvard lectures and interaction with Fluor finance leadership.

Fluor's New Leader program, another partnership with Harvard Business Publishing, was also expanded. It offers a blended learning approach to building leadership skills for new supervisors who have fewer than five years of supervisory experience. Approximately 500 participants worldwide participated in this program during 2013.

In 2013, we implemented a SmartGrowth program that further enhances our ability to hire and develop local talent to move into more senior roles. These individuals are identified by local management teams, who are responsible for helping establish and monitor each person's development goals and deliverables.

For our HR professionals, Fluor developed a SmartHR course in 2013 to build their expertise in managing its employee population. Through an interactive teaching approach, employees have opportunities to engage in experiential exercises, group discussions and assessments. Additionally, participants network with colleagues from other offices and geographic regions, giving them an opportunity to broaden their exposure to others in their function while expanding their professional skills.



# Health, Safety & Environment

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luor believes operating in a safe and environmentally sound manner is critical  $\Gamma$  to its long-term success as a global engineering and construction company. Successful execution of complex projects can be achieved only with a healthy and safe workforce of employees, subcontractors, suppliers and client personnel. Effective management of environmental issues and impacts, including energy use, emissions, effluents and waste, and transportation impacts, helps ensure Fluor's long-term success and the success of our clients, communities and other stakeholders.

### **OUR APPROACH**

Our management approach to health, safety and environment includes comprehensive and aggressive health, safety and environmental (HSE) goals that drive us to continuously improve our performance. Fluor's proven HSE Management System, comparable to ISO 14001, OHSAS 18001, ANSI Z-10, and the U.S. Occupational Safety & Health Administration Voluntary Protection Program, integrates the highest international standards into each project phase and verifies consistent performance. Fluor's sustainability

sustainability and field operations. Clients often take advantage of Fluor's capability to design and build environmentally friendly and safe capital projects using a sustainability approach that is detailed in Fluor's Sustainability Manual. The approach includes energy and resource efficiency, supplier diversity, anti-corruption practices, safety, training, community involvement, carbon management and green initiatives.

In 2013, Fluor began widespread tracking of its sustainability performance through a newly

created, innovative system we call the Sustainability Performance Indicator Management System. The System aggregates data into a manageable set of quantitative measures and indices that are useful for improving Fluor's productivity and efficiency related to energy, water, waste,

material use and community relations. The System also provides a flexible platform for consolidated web-based data entry and automated reporting, and serves as a repository for sustainability performance information. In addition, we have the flexibility to add new performance indicators to the system in the future

# RECOGNIZING EXCEPTIONAL HSE TALENT

Fluor is fortunate to have world-class experts among its employees. We developed the Fluor Fellows certification program to recognize the value this expertise creates for our company and our clients. Fellows certification is the highest level of achievement in the technical career track at Fluor and represents a key milestone in an employee's career. In 2013, Fluor appointed two HSE professionals — Terry Little and Mike Martin — to join five other HSE Fellows among the company's 44 Fellows and 33 Senior Fellows.

process, highlighted in its Sustainability Manual, reflects the requirements of ISO 26000. In order to identify and apply best practices across all of our global operations, our HSE Management System is continually reviewed and enhanced. Further driving our culture, we begin every meeting of five or more people with a topic that focuses on our core HSE commitments.

Approximately 950 dedicated HSE professionals around the world direct the implementation of the company's HSE policies, management systems and procedures. Their areas of expertise include process safety, personnel safety, fire protection, environmental permitting and impact assessments, consequence modeling, environmental monitoring, industrial hygiene,

## STAKEHOLDER ENGAGEMENT

G G4-26, G4-27

as our work evolves.

Fluor engages with stakeholders on HSE-related issues as part of its day-to-day operations at facilities, job sites, fabrication yards and office locations around the world. When specific HSE issues arise, we evaluate any hazards, specify mitigation measures and identify clients, business partners and other affected stakeholders.



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On specific projects and job sites, our clients typically lead stakeholder engagement efforts. Fluor provides client support for public hearings, town hall meetings and other engagement activities.

Fluor engages with employees on HSE policies and procedures through training and established communication vehicles such as HSE email alerts and monthly updates, quarterly newsletters and articles posted on Fluor's intranet. All communications reinforce Fluor's HSE cultural mindset, which calls for every employee to own and address any HSE issue that may arise even if it is not their own. Last year, we celebrated global HSE Week 2013: Healthy Employees & Communities by engaging more than 100,000 clients, employees and contractors at 150 sites and offices around the world.

#### G4-16

Fluor engages in collaborative partnerships with a number of industry and regulatory research and informational organizations. Fluor and its employees are associated with the following **HSE-related organizations:** 

- American Institute of Chemical Engineers, Center for Chemical Process Safety (United States)
- American Society of Civil Engineers, Committee on Sustainability and Sustainable Engineering Education Program (United States)
- BuildSafe South Africa, Founding Member (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 Safety Council (United States)
- U.S. Green Building Council (United States)
- Construction Industry Institute's Sustainability Community of Practice (United States)
- Construction Industry Institute's Research Team 304: Sustainability during Construction
- World Business Council for Sustainable Development

- · The British Safety Council
- The Royal Society for the Prevention of Accidents
- Manufacturers Alliance for Productivity and Innovation, Environmental, Health & Safety Council (United States)
- National Association for Environmental Management (United States)
- The Conference Board, Environmental, Health & Safety Council and Sustainability Council (United States)
- Engineers Without Borders (International)

#### LIFE CRITICAL INITIATIVE

# **HEALTH AND SAFETY**

Successfully managing health and safety issues to the lowest possible risk levels is an essential component of our strategy and integral to the way we do business. Fluor continually evaluates its health and safety principles and procedures throughout its operations to ensure that they are world class. Fluor continues to be recognized as one of the safest contractors in the engineering and construction industry, and we thoroughly evaluate any cases that occur to immediately identify areas for improvement.

### 2013 Health and Safety Performance



Fluor is committed to continually improving our health and safety practices and procedures, and to enhancing training on specific preventive actions. Fluor sustained its strong safety record in 2013. Our office and field performance represented



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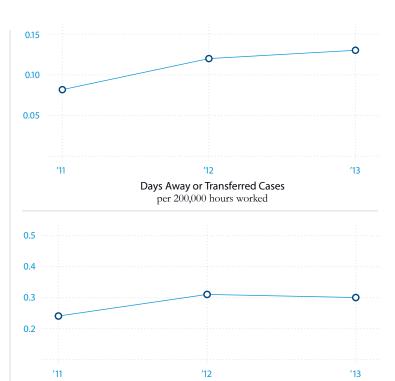
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**Total Recordable Cases** per 200,000 hours worked

394 million self-perform and subcontractor work hours. In those hours, we experienced a slight decline in the Total Recordable Case Incidence Rate from 2012 and a slight increase in the Days Away, Restricted, or Transferred Incidence Rate per 200,000 global hours worked. The Total Recordable Case Incidence Rate was 0.30 in 2013, and the Days Away, Restricted, or Transferred Incidence Rate was 0.13.

We are saddened, however, to report that a subcontractor employee died in a work-related incident in early 2013. Results of the investigation were communicated to the crane contract company responsible for the equipment involved in the incident for their corrective action.

Fluor's proprietary Managing Safety to Zero (MS<sub>2</sub>0<sup>sm</sup>) program tracks leading and trailing indicators in real time to proactively improve working conditions and reduce incidents. We employ this program globally with success in multiple countries and with multiple clients. Continued enhancements in 2013 increased the functionality of the program.

# Health and Safety Assistance and Engagement Programs

G4-LA7

Along with making every effort to protect its workers from health and safety risks, Fluor also offers assistance programs, such as educational classes, counseling and prevention/ risk control measures. These programs can help workers and their families around the world manage serious disease cases such as malaria.

#### G G4-I A8

In addition to stressing the importance of HSE to its employees, Fluor also collaborates with trade unions to help ensure that all workers embrace our commitment to HSE matters. Prior to the start of U.S. and Canadian union projects, Fluor's Industrial Relations team holds pre-job conferences with

members of the Building and Construction Trades Council to familiarize union representatives with the project and introduce key members of the project management team and subcontractors. Project work rules and environmental and safety regulations are supplied to unions and employees and posted on job sites. By gaining alignment on health, safety and environmental issues in advance, projects benefit from a stronger start. The following health and safety topics are typically included in formal agreements with trade unions:

- Compliance with applicable provisions of all government-mandated health and safety laws and regulations;
- Development of site-specific safety, industrial hygiene and environmental requirements;
- · Emergency procedures;
- · Means to report unsafe work conditions;
- · Worker protection and right to know;
- · Workplace monitoring;
- · Safety and personal protective equipment;



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#### TAKING HEROIC ACTION

The Safety Medallion Award Program was established by Fluor to encourage safety awareness among employees and contractors, and to recognize outstanding efforts to protect our most valuable asset — our people. The program features the Silver Medallion Award for employees who act in a lifesaving manner and assist others in distress, on or off the job and the Bronze Medallion Award for employees and contractors who avoid injury or accident by the correct use of personal protective equipment. During 2013, 20 employees earned the Silver Medallion Award and two earned the Bronze Medallion Award. Now, 20 years since its inception, the program remains strong with 322 Silver and 70 Bronze winners in its hall of fame.

- 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.

### THE ENVIRONMENT

© G4-EN24, G4-EN29

Fluor has a long-standing commitment to the U.N. Global Compact's Environmental Principles 7 through 9. We began tracking data related to these principles in 2004 and for the ninth consecutive year, we received no Notices of Violation for environmental issues and no resulting significant monetary or other sanctions for non-compliance. In addition, Fluor had no significant spills in 2013.

## **Our Carbon Footprint**

© G4-EN4, G4-EN15, G4-EN16, G4-EN17

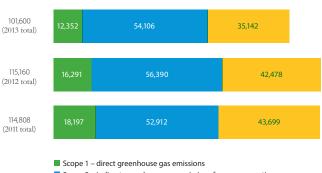
Fluor established its global carbon footprint baseline in 2006 for its offices, fleets at those offices and air travel. The baseline excludes client project sites. The number of projects Fluor designs, constructs and maintains each year influences its total GHG emissions. We follow the Greenhouse Gas (GHG) Protocol

standards for inventory over which Fluor maintains operational control. The basic unit of measure used throughout our GHG inventory is metric tons of equivalent carbon dioxide (tCO<sub>2</sub>e). Emission sources included in Fluor's GHG inventory include: electricity, steam and other stationary fuel consumption for Fluor's facilities, refrigerants used in building cooling systems, Fluor fleet vehicle fuel consumptions,

and emissions associated with business-related air travel. For each emission source, GHG emissions are quantified in the inventory for the following greenhouse gases, if applicable: carbon dioxide, methane and nitrous oxide, and any hydrofluorocarbon refrigerants reported.

The process of measuring and reporting our facilities' carbon footprint provides valuable information that we use to effectively manage our operations in an environmentally responsible manner. Fluor continues to identify appropriate ways to reduce carbon emissions through energy efficiencies, recycling activities, renovations and conservation efforts.

Fluor's Carbon Footprint tCO<sub>2</sub>e = metric tons of carbon dioxide (in thousands of metric tons)



Scope 2 – indirect greenhouse gas emissions from consumption of purchased electricity, heat or steam

Scope 3 – other indirect greenhouse gas emissions, such as travel



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# © G4-15

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

#### G4-EN18

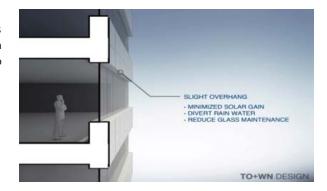
As our business activity increases, the number of employees increases, as does their associated office area. This business increase results in increased GHG emissions, as shown on the chart above. Conversely, when business activity decreases, the company's GHG emissions decrease. Normalizing absolute GHG emissions by revenue, as shown in the chart above, reveals the substantial positive effect of efficiency measures Fluor has implemented. Between 2012 and 2013, Fluor achieved a 12 percent reduction in its normalized carbon footprint. Over the eight-year period that Fluor has collected data, we achieved a 50 percent reduction in our normalized carbon footprint. We continue to evaluate opportunities to enhance sustainability innovation and energy efficiency throughout all of our facilities, but realize that at some point the normalized annual GHG emissions will plateau.

#### **Energy Efficiency**

Fluor works to improve energy efficiency, lower operating costs and integrate environmentally friendly solutions in our 162 facilities in 26 countries around the world. We work to meet or exceed the standards set by leading sustainability organizations.

AMECO,® an equipment, tools and fleet service provider and subsidiary of Fluor, announced construction of a new Greenville, South Carolina, office building that has been designed to meet the U.S. Green Building LEED certification. Predominant sustainable features include low or no use of chlorofluorocarbons in HVAC equipment, all credits achieved for water efficiency with exemplary performance, and interior materials specified as low-emitting products, regionally acquired and having a high level of recycled content.

In 2013, the construction of a new office building began for our operations in the Philippines. Fluor is targeting U.S. Green Building Council's LEED certification for the building. When complete, the location will include efficient public transport proximity, bicycle options and open green space access. The building itself will include low-flow water fixtures, volatile organic compound-free finishes and high-efficiency appliances and lighting fixtures. Interior layout configurations specify daylight and modular installations for space efficiency and flexibility, while maintaining comfortable working conditions. External glazing incorporates low-emissivity specifications and hydrophilic characteristics that repel water and grit formation to reduce the need for facade cleaning.



A new office tower under construction for Fluor's Philippines operations will feature energy-efficient design.



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Fluor's new office building under construction in the Netherlands was designed to be certified as "Very Good" by the Building Research Establishment Environmental Assessment Method (BREEAM), and with expansion of photovoltaic cells to improve the building's energy performance value, the design has now obtained the certificate for BREEAM "Excellent."

Once again, buildings at three of our offices in California, Texas and South Carolina — a combined 1.6 million square feet — earned the U.S. Environmental Protection Agency's ENERGY STAR® certification in 2013. Certification is based on energy conservation, capital improvements and utility rebates over multiple years. These certifications help enhance our company's reputation with clients seeking to identify, design and build green standards into their own facilities.

## © G4-EN6, G4-EN19

With approximately 7.6 million square feet of office space and associated areas in 26 countries, voluntary and diverse conservation, energyefficiency and environmental initiatives are providing cost-effective solutions and contributing significant value to the company. In 2013, we reduced electricity consumption by 7.2 million kilowatt-hours or 0.95 kilowatt-hours per square foot. We achieved these reductions by integrating a variety of energy-efficiency and conservation best practices into our everyday operations. Reduction approaches include energy-efficient appliances and office equipment for both new office space and renovations, T12 to T8 ballast lighting upgrades, timed lighting and water heater systems, reduction in office temperatures and lighting at night and on weekends, and consolidation of servers.

## **G** G4-EN3

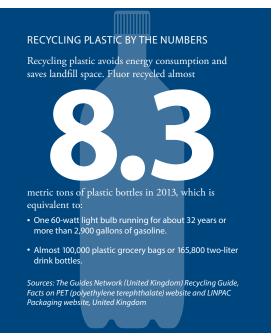
Direct energy consumption by Fluor's facilities in 2013 was approximately 151,000 gigajoules (GJ) for natural gas, diesel, gasoline, LPG and heating oil. Indirect energy consumption was approximately 389,000 GJ for electricity.

# Recycling

© G4-EN23

Virtually all Fluor offices have active recycling programs. We recycled approximately 770 metric tons of paper in 2013, as well as 204 metric tons of cardboard and 33 metric tons of batteries. We also recycled approximately 550 metric tons of assorted bulk materials including toner cartridges, glass







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RECYCLING CARDBOARD BY THE NUMBERS

Recycling cardboard avoids energy and water consumption, and saves landfill space. In 2013, Fluor recycled almost

metric tons of cardboard, which is equivalent to:

- 133 cubic meters of landfill space
- · 6.5 million liters of water
- · 835.000 kWh electricity saved

Source: Environmental Information Exchange (United Kingdom)

containers, aluminum cans, tires, plastic containers, iron and steel, and landscaping trimmings. The bulk materials include almost 8.3 metric tons of plastic bottles, which reduces the consumption of energy and other natural resources while saving landfill space.

# Waste Reduction, Reuse and Conservation Initiatives

© G4-EN23

Waste reduction and reuse activities are an important part of Fluor's global HSE initiatives. On an ongoing basis, many of our offices donate furniture, office supplies, carpet, computers and other electronic equipment to schools, homes for the elderly and nonprofit organizations. More than 110 metric tons of these office items were donated or reused rather than disposed of in a local landfill. In the Farnborough, United Kingdom, office, more than 103 metric tons of general waste went to a waste-energy plant that converts waste into energy for its customers. During renovations, furniture and materials are reused, as are low-emitting and recycled-content materials, where possible. Instead of complete replacement, employees look for opportunities to minimize waste while making our offices safer. Our ongoing initiative

to promote double-sided printing resulted in savings of approximately 35 metric tons of paper. Water conservation approached 225,000 liters through deployment of low-flush valves, installation of automatic faucet sensors and commodes and low-flow showerheads at various facilities.

G4-EN30

Our transportation-related initiatives include using energy-efficient vehicles, such as electric, hybrid and diesel models, as well as lighter/ smaller vehicles aimed at decreasing fuel consumption. Several offices provide employee commuter and courier shuttles, and encourage carpooling, telecommuting, bicycling, energyefficient vehicles and other transportation programs to reduce environmental impact. Video conferencing and training webinars are well established across the network of Fluor's global offices, helping colleagues collaborate across the world while reducing Fluor's travel footprint. Video conferencing is used routinely across the business for communication with project sites, clients and offices.

# FLUOR'S SUSTAINABILITY EXPERTISE **BENEFITS ITS CLIENTS**

G4-EN7

Fluor has proven experience in helping clients achieve HSE compliance and sustainability goals in the most efficient and cost-effective manner. Fluor's expertise in this arena is demonstrated in the following examples:

• Fluor recommended energy initiatives to the U.S. Army in Afghanistan, which dramatically decreased fuel consumption and improved fuel efficiency, while reducing the vulnerability associated with

## LEADERSHIP IN DESIGN AND INFRASTRUCTURE

Fluor employees continue to affirm their advanced knowledge in green-building design by becoming accredited professionals in the U.S. Green Building Council's Leadership in Energy and Environmental Design, or LEED,® program. Additionally, employees continue their involvement with the Institute for Sustainable Infrastructure to become credentialed as Sustainability Professionals, to implement the sustainability rating system for civil infrastructure.



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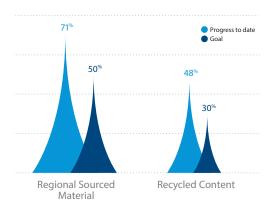
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fuel deliveries. The majority of energy savings was realized on power-generation optimization and spot-generation reduction. Additionally, Fluor has an extensive track record executing wasteminimization initiatives supporting the U.S. Army. While operating several solid waste management facilities in Afghanistan, Fluor successfully maintained, on average, a 36 percent recycle rate that included the removal of plastic bottles, aluminum cans, wood, cardboard, metals and recoverable durable goods from the municipal solid waste stream. Additionally, two sites in Eastern Afghanistan recovered food waste from dining facilities for use at local fish farms.

- Lower Colorado River Authority (LCRA) selected Fluor to replace an aging 420-megawatt power plant with a new 540-megawatt natural gas-fired combined-cycle power plant. Throughout the course of construction, Fluor has supported LCRA's environmental and sustainability goals. Granite harvested from the site during construction was processed through a rock crusher and used for road base on the project site. More than 1,700 tons of excavated soil was donated to surrounding counties for use in coordination with local highways and parks departments.
- In order to support the Regional Transportation District's (RTD) goal to be an industry leader in the area of sustainable transportation, the Fluor-led joint venture, Denver Transit Partners (DTP), implemented a robust sustainability program supporting the Eagle P3 Project. As an example, DTP is applying the concept of "reduce, reuse, recycle, regionalize" to its material purchasing practices. Efforts are made to source from within the region, and to date more than 70 percent of materials have

#### Eagle P3 Project Material Regionally Sourced and Recycled Content as of December 31, 2013



## MODULAR CONSTRUCTION AND EXECUTION

Fluor implemented its 3rd Generation Modular Execution<sup>SM</sup> Generation Modular Execution is a highly space-efficient approach to the design of industrial process plants, predicated on the following changes from what would normally be seen in a stick-built facility design:

This approach is more protective of humans and the setting. As a result, it represents a significant step forward in sustainability performance.

been sourced within 500 miles of Denver. In addition, consistent with calculation standards required for LEED certification, 48 percent of purchased materials have recycled content.

# 2013 HSF CERTIFICATIONS

Fluor sites and offices received external HSE recognitions in 2013 from clients, government agencies and nongovernmental organizations, which are included on the awards list on page 12 of this report. A number of Fluor facilities and projects were certified or recertified by standardsetting entities in 2013.

- Fluor Corporation Southern California, ISO 14001
- Fluor Corporation Southern California OHSAS 18001
- Fluor Limited, Farnborough Hampshire, United Kingdom, ISO 14001
- Fluor Philippines, ISO 14001
- Fluor Philippines, OHSAS 18001



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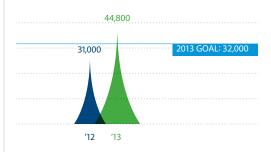
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Iluor believes that investing strategically in local communities can positively influence its long-term economic performance. Healthy, vibrant communities drive demand for our services and play an important role in the development of an educated workforce and a robust, sustainable supply chain. We work with stakeholders around the world to address challenges and advance the quality of life in the communities where we operate.

#### **OUR APPROACH**

Our management approach to community investment includes a community involvement strategy that is set by executive leadership and implemented via programs, initiatives and partnerships led by Fluor, the Fluor Foundation and the Fluor Cares employee volunteer program. Fluor's primary areas of focus are education, social services, community and economic development and the environment. These four areas leverage our capabilities as a global engineering and construction company and align with our business priorities. This alignment allows Fluor to have a greater positive impact on the communities in which it operates.





# G4-FC1

Fluor, its employees and the Fluor Foundation contributed more than \$8.5 million in 2013 in financial support to community initiatives, programs and through employee volunteerism. Employees volunteered approximately 44,800 hours to community projects around the globe.

Periodic reviews by executive leadership assess results against established goals and continued relevance of our community involvement strategy and recommend course corrections, as appropriate. In 2013, Fluor instituted systems to better track and report annually on key community-related metrics such as:

- Students receiving science, technology, engineering and math (STEM) training and enrichment,
- · Youth receiving life skills and leadership training,
- Meals provided to the hungry,
- Homes and facilities built or refurbished to serve the community,
- · Individuals benefiting from preventive health programs and emergency services,
- · Trees, flowers and shrubs planted to conserve and restore the environment and enhance quality of life, and
- Tons of litter recycled and disposed to protect the environment.



Improved systems and reporting enable Fluor to better evaluate and adapt its management approach to community investments to provide better outcomes for the company and community stakeholders.



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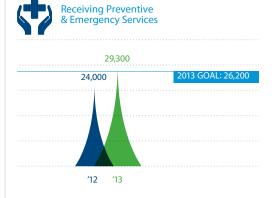
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#### STAKEHOLDER ENGAGEMENT

G4-26, G4-27

We engage with our community stakeholders as part of our ongoing business processes on a project-by-project basis and on a company basis through philanthropic and community programs and initiatives. On a project-by-project basis, we proactively engage local communities, government and municipalities to address project-related social, economic or environmental concerns. This type of community engagement is directed by project management and carried out jointly with our clients and partners. On a company basis, we establish relationships with community stakeholders to proactively identify needs that align with Fluor's strategic focus areas. We engage regularly with community stakeholders in a variety of ways including face-to-face meetings, conferences and employee participation on local boards and issue-specific campaigns. Fluor employees often serve as thought leaders on key education and youth issues, such as the need for more rigorous education standards and systems leading to college and career success, and more effective youth resiliency programs.



#### **BUILDING FUTURES**

For more than 12 years as part of the company's global Building Futures project, Fluor employees have donated backpacks filled with the basic tools and supplies students need for learning. In 2013, 28 Fluor sites donated more than \$167,000 to provide school supplies to nearly 13,000 children around the world.



The principal community-related associations and initiatives in which Fluor is engaged include:

- · Center for Corporate Citizenship, Boston College, Carroll School of Management (United States)
- Change the Equation (United States)
- The Conference Board, Global Social Investing Council (United States)

### **EDUCATION**

Strong education systems, particularly in science, technology, engineering and math (STEM), are essential to our ability to source and hire skilled employees in the future. Fluor supports higher education and university STEM programs, as well as those benefiting primary and secondary grades.



#### G4-EC1

In 2013, Fluor made grants to American and international universities that totaled more than \$1.9 million and invested nearly \$500,000 in new and renewed scholarships for children of Fluor employees. We greatly expanded our investment in STEM training programs in partnership with nonprofit and nongovernmental organizations. In 2013, Fluor supported more than 900,000 hours of STEM training and enrichment to approximately 36,700 primary and secondary school students, up from 106,000 hours and 2,400 students in 2012.



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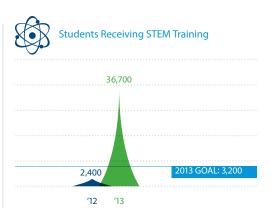
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# **SOCIAL SERVICES**

As a global company working in both developed and underdeveloped countries, Fluor supports social service programs that meet basic human needs. These programs help feed the hungry and support individuals and families in crisis.

#### G4-EC1

Through partnerships with food banks, mealdelivery services and other organizations in 2013, Fluor and its employees provided about 545,400 meals to those who were hungry. Fluor also assisted approximately 29,300 individuals through investments in community programs that provide alcohol and drug abuse counseling, immunizations for low-income children, health care check-ups for the disadvantaged, and emergency shelter and counseling for victims of domestic abuse. In North America, Fluor and its employees support social services in their local communities through the Fluor Employee Giving Campaign benefiting the United Way and other health and human services organizations. During 2013, the company and its employees donated \$4.9 million.



## COMMUNITY AND ECONOMIC DEVELOPMENT

Fluor supports a broad range of programs to strengthen local economies in its areas of operation. These programs help build affordable housing and refurbish community-serving facilities, assist with rebuilding or infrastructure support in case of natural or man-made disasters, teach young people life skills and develop and support a strong, diverse network of businesses.



Homes / Facilities

## G4-EC7

Examples of in-kind facility improvements that Fluor supported in 2013 include the renovation of sanitary facilities for the Haryana Welfare Center for the Hearing and Speech Impaired in India, and the physical expansion of Progress Preschool, a school serving first-time learners in South Africa.

Fluor and its employees contributed more than \$250,000 to support disaster relief efforts carried out by Red Cross national societies and United Way Worldwide and their partner agencies.





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#### G4-EC8

Fluor supports a variety of initiatives that generate positive indirect economic impacts. Examples include programs that offer working adults training and skills-specific certifications through Fluor-supported job training centers and financial contributions to technical colleges. Through partnerships with organizations like the Boys & Girls Clubs of America, Children's University Haarlem and Urban League, Fluor helped approximately 38,300 youth receive life skill enrichment and leadership training.

### **ENVIRONMENT**

As an engineering and construction company, Fluor is sensitive to its impact on the environment and the need to conserve environmental resources. We manage our business in a manner that is consistent with the U.N. Global Compact's Environmental Principles as is detailed in the Health, Safety & Environment section of this report.



We also fulfill our commitment to responsible stewardship of the environment through the support of organizations that protect natural resources and habitats through conservation, restoration, beautification and environmental education.

Through these 2013 environmental initiatives, Fluor recycled and disposed of about 41 tons of litter, an increase of 46 percent over 2012. We

also significantly increased the number of trees, flowers and shrubs planted to beautify and restore our communities, from approximately 4,500 in 2012 to 14,800 in 2013. Fluor held its first annual Global Shore Cleanup, a joint effort between 15 Fluor offices and project sites in eight countries. During the event, 7.7 tons of litter was collected and more than 35 kilometers of shorelines and waterways were cleaned of debris, with local governments and organizations such as Manila City Hall, YMCA and Hands on Greenville participating.



#### SUPPORTING THE U.S. MILITARY

Fluor is proud to serve the women and men of the armed forces at 23 forward operating bases in Afghanistan. Through our philanthropic efforts, we strive to improve the lives of military personnel and their families. In 2013, Fluor supported initiatives like Hiring Our Heroes to assist veterans and military spouses find meaningful employment, an annual Military Teen Summit with the Boys & Girls Clubs of America to help improve the resiliency of military youth, The Army Scholarship Foundation to provide academic scholarships for sons, daughters and spouses of enlisted soldiers and Quick Jobs with a Future for veterans program through Greenville Technical College to help veterans find employment.



# Supply Chain & Procurement

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I luor believes a diverse, sustainable supply chain is vital to its ability to I successfully design and build technically challenging projects for clients around the world. We maintain a global supplier network and have supplier and subcontractor transactions in 78 countries around the world.

#### **OUR APPROACH**

In 2013, Fluor's procurement organization managed billions of dollars in spend on equipment, materials and services. Our approximately 2,400 procurement professionals, strategically positioned around the globe, use advanced sourcing methods, market intelligence and global purchasing volume to help Fluor drive value-added cost, schedule and quality certainty for our clients' capital projects.

Project-related procurement activities begin with the receipt of a client's invitation to bid for a new project and continue through completion and acceptance of work. Fluor uses comprehensive supplier and subcontractor pregualification. bid evaluation, award recommendation and award approval processes as well as post-award administration, execution monitoring and quality assurance processes. We conduct rigorous due diligence when selecting suppliers and subcontractors, and continuously monitor their overall performance through completion. Fluor also measures supplier and subcontractor performance and completes comprehensive evaluations for awards exceeding defined monetary thresholds.

Our suppliers and subcontractors are required to comply with Fluor's Business Conduct and Ethics Expectations for Suppliers and Contractors, which addresses among other areas health, safety, environmental, human rights and employment practices, financial and operational controls, conflicts of interest, bribery and trade controls. We closely monitor these areas for any red flags during our business relationship.

We utilize a Sustainability Best Practice Survey and Scorecard for selecting hotels and other venues for Fluor events and conferences. This is used in our bid evaluation process and covers commitment and awareness, energy efficiency, solid waste minimization, air and water quality, water conservation and environmental purchasing.

Fluor also has specific policies, programs and management systems to identify, heighten opportunities for and manage diverse suppliers and subcontractors. In April 2013, we launched a company-wide initiative specifically geared toward educating and more rigorously engaging our employees on Fluor's Supplier Diversity Program and policies.

### STAKEHOLDER ENGAGEMENT

G4-26, G4-27

As part of its supply chain-related activities, Fluor routinely engages with suppliers, clients, employees, communities, and various business organizations to address project proposal opportunities, project requirements, prime contract compliance, bidding opportunities for suppliers and subcontractors, and project execution performance. Proposal and project activities, client contractual requirements, established Fluor work processes and other criteria influence the frequency and nature of engagement.

#### © G4-13

Fluor's Strategic Relationship Agreement program with select suppliers and subcontractors expired on December 31, 2013; however, we maintain ongoing relationships with these important companies. Potential alternative programs are being explored.

## © G4-16

Fluor is a member or associate of the following organizations related to supply chain and procurement:

- 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)
- **National Contract Management Association** (United States)
- Engineering and Construction Contracting Association (United States)
- Procurement Round Table (United States)



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**Houston Minority Supplier Diversity Council** (United States)

- Project Management Institute (United States)
- Council of Supply Chain Management Professionals (United States)
- Manufacturers Alliance for Productivity and Innovation (United States)

#### SUPPLY CHAIN OVERVIEW

G4-12

Our procurement supply chain includes contract management, expediting, commercial strategies, procurement systems, logistics and trade compliance, material management, supplier quality surveillance, supply chain solutions, and corporate procurement. Our extended supply chain has approximately 18,000 suppliers and subcontractors engaged in bidding activities with our procurement organization, which resulted in an estimated 6,000 awards. Additional similar participant examples include brokers, consultants, contractors, independent contractors and manufacturers.

#### SUPPLIER DIVERSITY

G4-EC9

Fluor believes a diverse supply chain contributes significantly to its overarching goal of providing clients with high-value, quality services at competitive costs. Our diverse suppliers and subcontractors make us stronger, healthier and better able to handle the challenges of the future.

Approximately 12 percent of the amount spent with U.S.-based suppliers and subcontractors in 2013 was spent with small-, minority- and women-owned businesses. Globally, more than 75 percent of Fluor's spend was done with in-country suppliers and subcontractors.

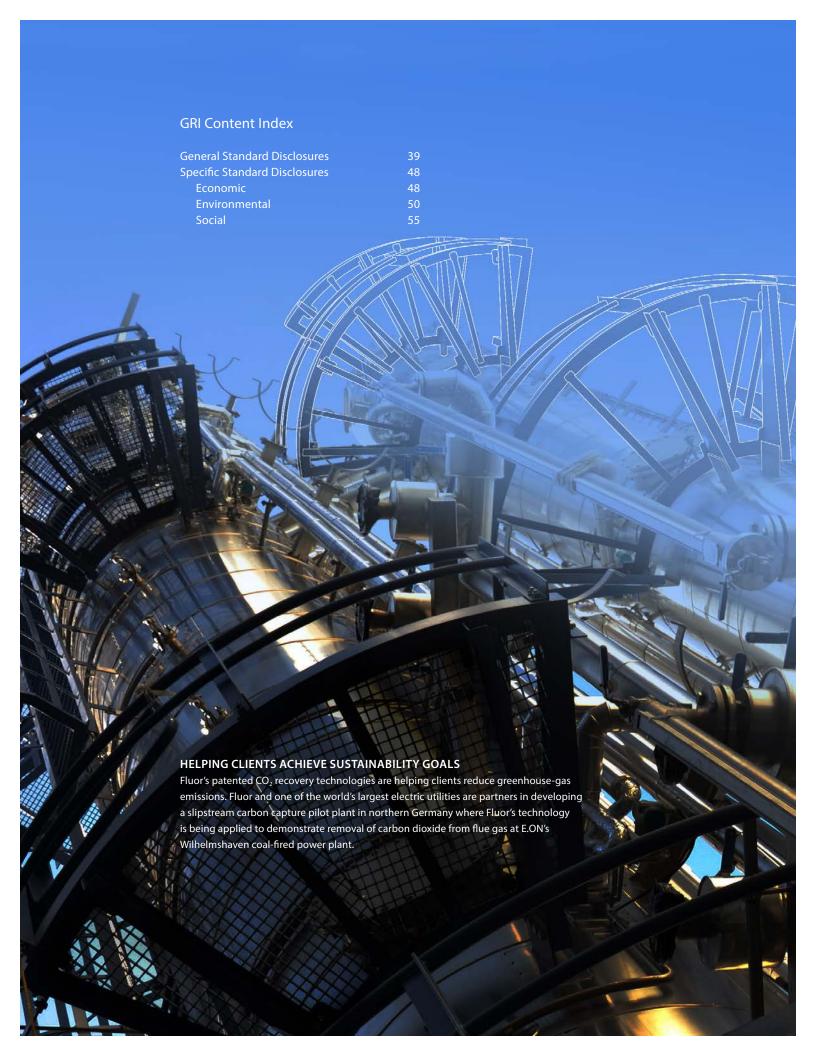
Fluor identifies diverse businesses by utilizing company databases, trade fairs, workshops, conferences and conventions; working with national and regional diversity councils and Small Business Administration (SBA) offices; as well as coordinating and participating in diverse business recruitment conferences and minority business opportunity days. Fluor maintains supplier and subcontractor information through its online registration tool, Supplier and Contractor Online Registry. For suppliers and subcontractors, registration is intuitive and user-friendly. Currently, more than 10,000 suppliers and subcontractors are registered in this database.

In addition to its membership in organizations such as the National Minority Supplier Development Council and the Women's Business Enterprise National Council, Fluor actively participates in regional U.S. business councils in Texas, the Carolinas and Southern California, and serves on their boards and committees in those areas. We also support U.S. federal programs associated with the Small Business Association, Department of Defense, the Department of Energy, and others by participating in, and providing sponsorships for, supplier and subcontractor outreach and networking events. On a global basis, we actively engage diverse suppliers and subcontractors in accordance with our project contracts with clients across all Fluor business groups.

Fluor's Supplier Diversity Program is led by a cross-functional U.S. advisory board of executives from sales, procurement, construction, government, engineering, contract management, community relations and other areas. In addition to steering the overall direction of the program, board members serve as liaisons to the following committees:

- Recruitment, which promotes and encourages involvement in Fluor's Supplier Diversity Program as well as coordinates attendance and participation at events hosted by area diverse business councils in Texas, South Carolina and Southern California.
- Events, which plans educational events for diverse suppliers designed to provide all parties with a greater knowledge of available business resources and to formally recognize diverse business enterprises that have contributed to the accomplishment of various goals or objectives within Fluor's Supplier Diversity Program.
- Project Status, which keeps all Supplier Diversity Champions and committee members informed of U.S. project activities, including sourcing and supplier diversity or local content needs.
- Education, which educates new Fluor Supplier Diversity Program Champions and Advocates as well as diverse business owners and facilitates connections with diverse suppliers, subcontractors and discipline-appropriate Fluor personnel.





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## GRI CONTENT INDEX - G4 CORE IN ACCORDANCE

By self-declaration, Fluor's 2013 sustainability report is in accordance with the Global Reporting Initiative's G4 Core Guidelines. For a full explanation of the GRI guidelines, visit www.globalreporting.org.

Disclosure Description		Location and Explanatory Notes	External Assurance
GENERA	L STANDARD DISCLOSURES		
STRATEGY	AND ANALYSIS		
G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Chairman & CEO's Letter	No
G4-2	Description of key impacts, risks and opportunities.	Chairman & CEO's Letter	No
ORGANIZA	TIONAL PROFILE		
G4-3	Name of the organization.	Fluor Corporation.	Yes
G4-4	Primary brands, products and services.	About the Company, <u>page 6</u> . See pages 1-8 of Fluor's 2013 Annual Report on <u>Form 10-K</u> , available at <u>investor.fluor.com</u> .	Yes
G4-5	Location of the organization's headquarters.	About the Company, <u>page 6</u> .	Yes
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	About the Company, <u>page 6</u> .  See Item 2, page 26-27 of Fluor's 2013  Annual Report on <u>Form 10-K</u> , available at <u>investor.fluor.com</u> .	Yes
G4-7	Nature of ownership and legal form.	See Page 1 of Fluor's 2013 Annual Report on Form 10-K. In addition, a listing of the entities in which Fluor has an interest is included in Exhibit 21 of Fluor's 2013 Annual Report Form 10-K, available at investor.fluor.com.	Yes
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	See pages 1-8 of Fluor's 2013 Annual Report on Form 10-K and page 32 of Fluor's 2013 Annual Report, available at investor.fluor.com.	Yes
G4-9	Scale of the reporting organization.	About the Company, <u>pages 6-7</u> . See pages 11 and 29 of Fluor's 2013 Annual Report on <u>Form 10-K</u> and page 32 of Fluor's 2013 Annual Report, available at <u>investor.fluor.com</u> .	Yes



**GENERAL STANDARD DISCLOSURES** ORGANIZATIONAL PROFILE (continued) G4-10 Total number of employees About the Company, pages 7-8. No by employment contract and Complete data are not available for gender. employment type and employment contract. Total number of permanent employees by employment type and gender. Total workforce by employees and supervised workers and by gender. Total workforce by region and gender. Whether a substantial portion of the organization's work is performed by workers who are legally recognized as selfemployed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. Any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries). G4-11 Percentage of employees Employees & Workplace, page 21. Nο covered by collective Data are available for Fluor's U.S. operations bargaining agreements. only. G4-12 Description of the Supply Chain & Procurement, page 37. No organization's supply chain. G4-13 Significant changes during About the Company, page 7. No the reporting period Supply Chain & Procurement, page 36. regarding size, structure, ownership, or its supply chain. G4-14 Whether and how the Not reported. As a service provider, Fluor No precautionary approach or does not manufacture or sell products. principle is addressed by the During the course of our contracted work organization. for clients, Fluor offers designs to help reduce environmental impacts from clients' operations. G4-15 Externally developed About the Report, page 9. No economic, environmental and Health, Safety & Environment, page 28. social charters, principles, or other initiatives to which the organization subscribes or which it endorses.

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GENERAL	. STANDARD DISCLOSURES		
ORGANIZA	ΓΙΟΝΑL PROFILE (continued)		
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization subscribes or which it endorses.	About the Company, <u>page 8</u> . Ethics & Compliance, <u>page 14</u> . Employees & Workplace, <u>page 20</u> . Health, Safety & Environment, <u>page 25</u> . Community & Social Service, <u>page 33</u> . Supply Chain & Procurement, <u>page 36</u> .	No
IDENTIFIED	MATERIAL ASPECTS AND BOUNDA	ARIES	
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	A list of all entities in which Fluor holds an interest is included in Exhibit 21 of Fluor's 2013 Annual Report on Form 10-K, available at investor.fluor.com. Not all of these entities are included in Fluor Corporation's consolidated financial statements. See Fluor's 2013 Annual Report on Form 10-K for more information.	Yes
G4-18	Process for defining the report content and the Aspect Boundaries. Explanation of how the organization has implemented the Reporting Principles for Defining Report Content.	About the Report, <u>page 9</u> .	No
G4-19	List of all the material Aspects identified in the process for defining report content.	About the Report, <u>pages 9, 11</u> .	No
G4-20	Whether the Aspect is material inside of the organization.	About the Report, <u>pages 9, 11</u> .	No
G4-21	Whether the Aspect is material outside of the organization.	About the Report, <u>pages 9, 11</u> .	No
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	About the Report, <u>page 10</u> .	No
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	About the Report, <u>page 10</u> .	No



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	GENERAL	STANDARD DISCLOSURES		
	STAKEHOLI	DER ENGAGEMENT		
	G4-24	List of stakeholder groups engaged by the organization.	About the Company, <u>page 7</u> .	No
	G4-25	Basis for identification and selection of stakeholders with whom to engage.	About the Company, <u>page 7</u> .	No
	G4-26 & G4-27	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.  Identification of the stakeholder groups that raised each of the key topics and concerns.	Ethics & Compliance, page 14. Governance, page 19. Employees & Workplace, page 20. Health, Safety & Environment, page 24. Community & Social Service, page 33. Supply Chain & Procurement, page 36.	No
	REPORT PR	OFILE		
	G4-28	Reporting period for information provided.	About the Report, <u>page 9</u> .	No
	G4-29	Date of most recent previous report.	2012 Fluor Sustainability Report About the Report, <u>page 9</u> .	No
	G4-30	Reporting cycle.	About the Report, <u>page 9</u> .	No
	G4-31	Contact point for questions regarding the report or its contents.	About the Report, <u>page 10</u> .	No
	GRI CONTE	NT INDEX		
	G4-32	Reporting of the "in accordance" option the organization has chosen and notation of External	About the Report, <u>page 10</u> .  This report is in accordance with GRI G4 Core guidelines. External assurance, where it is available, is noted in the GRI Content Index.	No



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Disclosure Description Location and Explanatory Notes External Assurance Chairman & CEO's Letter **GENERAL STANDARD DISCLOSURES** ASSURANCE About the Company G4-33 Organization's policy and About the Report, page 10. No current practice with About the Report regard to seeking external assurance for the report. If 2013 Awards & Certifications not included in the assurance report accompanying the sustainability report, report 2013 Progress Report the scope and basis of any external assurance provided. **Ethics & Compliance** Report the relationship between the organization Governance and the assurance providers. Report whether the highest governance body or senior **Employees & Workplace** executives are involved in seeking assurance for the Health, Safety & Environment organization's sustainability report. Community & Social Service GOVERNANCE Supply Chain & Procurement G4-34 Governance structure See pages 12-16 of Fluor's Proxy Statement Nο for the 2014 Annual Meeting of Stockholders, of the organization, including committees of available at investor.fluor.com, for our Board **GRI Content Index** and committee structure. No committee has the highest governance body. Identification of any specific responsibility for decision-making on committees responsible economic, environmental or social impacts. for decision-making on Additional information on Fluor's Corporate economic, environmental Governance Guidelines and committee and social impacts. charters is available on our website. G4-35 Within the context of corporate, functional Process for delegating Nο authority for economic, and business units, we analyze and monitor environmental and social a full spectrum of economic, environmental topics from the highest and social risks as part of our ongoing governance body to senior operations. executives and other employees. G4-36 Whether the organization has No executive-level positions of this nature Nο appointed an executive-level with these specific responsibilities currently position or positions with exist at Fluor. responsibility for economic. environmental and social topics, and whether post holders report directly to the highest governance body. G4-37 Processes for consultation Governance, page 19. No between stakeholders and See page 18 of Fluor's Proxy Statement for the highest governance body the 2014 Annual Meeting of Stockholders, on economic, environmental available at investor.fluor.com, which and social topics. If describes how stakeholders may consultation is delegated, communicate with the Board of Directors,

describe to whom and any

feedback processes to the highest governance body.

generally.



**GENERAL STANDARD DISCLOSURES** GOVERNANCE (continued) G4-38 Composition of the Governance, page 19. Nο highest governance body See pages 9-10 of Fluor's Proxy Statement for and its committees by: the 2014 Annual Meeting of Stockholders, executive or non-executive; available at investor.fluor.com. independence; tenure A description of our directors' qualifications on the governance body; can be found on pages 2-8 of Fluor's Proxy number of each individual's Statement for the 2014 Annual Meeting of other significant positions Stockholders, available at investor.fluor.com. and commitments, and the nature of the commitments; gender; membership of under-represented social groups; competences relating to economic, environmental and social impacts; and stakeholder representation. G4-39 Whether the Chair of the Governance, page 19. Nο highest governance body See pages 11-12 of Fluor's Proxy Statement is also an executive officer for the 2014 Annual Meeting of Stockholders, (and, if so, his/her function available at investor.fluor.com. within the organization's management and the reasons for this arrangement). G4-40 Nomination and selection Governance, page 19. No processes for the highest See pages 16-17 of Fluor's Proxy Statement governance body and its for the 2014 Annual Meeting of Stockholders, committees, and the criteria available at investor.fluor.com. used for nominating and selecting highest governance body members. G4-41 Processes for the highest See pages 17-18 of Fluor's Proxy Statement No governance body to ensure for the 2014 Annual Meeting of Stockholders, conflicts of interest are available at investor.fluor.com. avoided and managed. Fluor's Code of Business Conduct and Ethics is available on the company's website. G4-42 Fluor's Sustainability Committee has The highest governance No body's and senior executives' representation from senior executive roles in the development, management; Ethics & Compliance; Community Relations; Corporate Affairs; approval, and updating of the organization's purpose, Facilities; Governance; Government Relations; value or mission statements, Health, Safety & Environment (HSE); Human strategies, policies, and Resources; Investor Relations; Law; Sales; goals related to economic, Supply Chain & Procurement; and Strategic environmental and social Planning. impacts. G4-43 Report the measures taken Quarterly reports are provided to the Board, No to develop and enhance the which may include economic, environmental highest governance body's and social topics. collective knowledge of economic, environmental and social topics.

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#### GOVERNANCE (continued)

G4-44 Processes for evaluation

of the highest governance body's performance with respect to governance of economic, environmental and social topics. Whether such evaluation is independent or not, and its frequency. Whether such evaluation is a selfassessment. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.

See page 12 of Fluor's Proxy Statement for the 2014 Annual Meeting of Stockholders, available at investor.fluor.com, with regard to the self-evaluation process for Fluor's Board. The Board's performance with respect to environmental and social performance/issues is not separately evaluated.

Nο

Nο

G4-45 Highest governance body's

role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Highest governance body's role in the implementation of due diligence processes. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and

See pages 10-11 of Fluor's Proxy Statement for the 2014 Annual Meeting of Stockholders, available at investor.fluor.com, for a discussion of the Board's role in risk oversight.

G4-46

Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.

social impacts, risks, and

opportunities.

See pages 10-11 of Fluor's Proxy Statement for the 2014 Annual Meeting of Stockholders, available at investor.fluor.com, for a discussion of the Board's role in risk oversight.

Nο

G4-47

Frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.

See pages 10-11 of Fluor's Proxy Statement for the 2014 Annual Meeting of Stockholders, available at investor.fluor.com, for a discussion of the Board's role in risk oversight.

Nο



	•		
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GOVERNAN	CE (continued)		
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	The Chairman and Chief Executive Officer reviews and provides comments on Fluor's sustainability report after the Sustainability Committee has taken steps to cover all material Aspects.	No
G4-49	Process for communicating critical concerns to the highest governance body.	Critical concerns, if any, are raised at quarterly meetings of the Board of Directors or otherwise as necessary.	No
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	As a public company, Fluor makes disclosures regarding critical concerns as required by the U.S. Securities and Exchange Commission. No additional reporting is made in the Sustainability Report, as the information is confidential.	No
G4-51	Remuneration policies for the highest governance body and senior executives for fixed pay and variable pay; deferred or vested shares; and retirement benefits. How performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	See pages 21-39 of Fluor's <u>Proxy Statement</u> for the 2014 Annual Meeting of Stockholders, available at <u>investor.fluor.com</u> . Fluor reports actual compensation for only certain executives as required by the proxy rules, but the policies reported (including performance criteria) are generally the same for other senior executives.	No
G4-52	Process for determining remuneration. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Any other relationships which the remuneration consultants have with the organization.	See pages 15-16 and 34-37 of Fluor's Proxy Statement for the 2014 Annual Meeting of Stockholders, available at investor.fluor.com, for a discussion of how compensation is determined and the Organization & Compensation Committee's relationship with an independent compensation consultant.	No
G4-53	How stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	See pages 37-38 of Fluor's <u>Proxy Statement</u> for the 2014 Annual Meeting of Stockholders, available at <u>investor.fluor.com</u> , for a discussion of Fluor's Say On Pay vote and the Board's response.	No

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NCE (continued)		
Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Not reported. This information is not currently available as it is not required to be disclosed in our public filings.	No
Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Not reported. This information is not currently available as it is not required to be disclosed in our public filings.	No
NTEGRITY		
Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Ethics & Compliance, <u>page 16</u> . Fluor's <u>Code of Business Conduct and Ethics</u> is available on the company's website.	No
Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Ethics & Compliance, <u>page 17</u> .	No
Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Ethics & Compliance, <u>page 17</u> .	No
	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.  Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.  NTEGRITY  Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.  Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.  Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing	Ratio of the annual total compensation for all employees (excluding the highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.  Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.  Not reported. This information is not currently available as it is not required to be disclosed in our public filings.  Not reported. This information is not currently available as it is not required to be disclosed in our public filings.  Post reported. This information is not currently available as it is not required to be disclosed in our public filings.  Post reported. This information is not currently available as it is not required to be disclosed in our public filings.  Post reported. This information is not currently available as it is not required to be disclosed in our public filings.  Post reported. This information is not currently available as it is not required to be disclosed in our public filings.  Post reported. This information is not currently available as it is not required to be disclosed in our public filings.  Post reported. This information is not currently available as it is not required to be disclosed in our public filings.  Post reported. This information is not currently available as it is not required to be disclosed in our public filings.  Post reported. This information is not currently available as it is not required to be disclosed in our public filings.  Post reported. This information is not currently available as it is not required to be disclosed in our public filings.  Post reported. This information is not currently available as it is not required to be disclosed in our public filings.  Post reported. This information is not currently

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SPECIFIC STANDARD DISCLOSURES ECONOMIC: DMA, PAGES 32, 36 ECONOMIC PERFORMANCE Community & Social Service, Yes (for Direct economic value generated (EVG&D) financial pages 32-34. and distributed on an results) About the Company, page 6. accruals basis including For full-year 2013 financial information, see the basic components for Fluor's 2013 Annual Report on Form 10-K, the organization's global available online at investor.fluor.com. operations as listed below. If Fluor does not disclose employee wages data is presented on a cash and benefits or EVG&D by country due to basis, report the justification competitive reasons. for this decision and report the basic components of such revenues. Economic value distributed: operating costs; employee wages and benefits; payments to providers of capital; payments to government (by country); and community investments. G4-EC2 Financial implications and Financial impacts are not reported. See Yes other risks and opportunities page 25 of Fluor's 2013 Annual Report on for the organization's Form 10-K, available at investor.fluor.com. activities due to climate change. G4-EC3 Coverage of the See page 34-35 of Fluor's 2013 Annual Report Yes organization's defined benefit on Form 10-K, available at investor.fluor.com, plan obligations. for publicly available information on this topic. G4-EC4 Financial assistance received No governmental financial assistance was No from government. received by Fluor in 2013. Also, it's important to note that the government is not a shareholder. MARKET PRESENCE G4-EC5 Ratios of standard entry level Not reported. Due to tracking limitations, No wage by gender compared Fluor does not calculate the ratio of entry to local minimum wage level wages compared to local minimum at significant locations of wages by gender. operation G4-EC6 Proportion of senior Not reported. This information is considered Nο management hired from confidential and proprietary to Fluor. the local community at significant locations of operation.

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	SPECIFIC	STANDARD DISCLOSURES		
ı	INDIRECT E	ECONOMIC IMPACTS		
	G4-EC7	Development and impact of infrastructure investments and services supported.	Community & Social Service, <u>page 34</u> .	No No
	G4-EC8	Significant indirect economic impacts, including the extent of impacts.	Community & Social Service, <u>page 35</u> . The number of individuals provided job training may be referenced in other sections of the report.	No
	PROCUREM	MENT PRACTICES	The number of individuals provided job training may be referenced in other sections	
	G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	Supply Chain & Procurement, <u>page 37</u> .	No

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ENVIRONM	ENTAL: DMA, <u>PAGE 24</u>		
MATERIALS			
G4-EN1	Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by: non-renewable materials used and renewable materials used.	Not reported. Fluor does not manufacture products.	No
G4-EN2	Percentage of recycled input materials used to manufacture the organization's primary products and services.	Not reported. Fluor does not manufacture products.	No
ENERGY			
G4-EN3	Energy consumption within the organization.	Health, Safety & Environment, <u>page 29</u> . Fluor measures energy use at Fluor global offices. The energy is purchased from local entities.	No
G4-EN4	Energy consumption outside of the organization.	Health Safety & Environment, <u>page 27</u> . Fluor measures business air travel as Scope 3 emissions.	No
G4-EN5	Energy intensity.	Did not report. Fluor reports intensity through greenhouse gas emissions per revenue.	No
G4-EN6	Reduction of energy consumption.	Health, Safety & Environment, page 29.  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 action for facilities and the communities.	No
G4-EN7	Reductions in energy requirements of products and services.	Health, Safety & Environment, <u>page 30</u> . Fluor reports several examples of how our innovative solutions help clients to realize their energy goals.	No



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ENVIRONM			
WATER			
G4-EN8	Total water withdrawal by source.	Not reported. Water use in our global offices comes from local water authorities.	No
G4-EN9	Water sources significantly affected by withdrawal of water.	Not reported. Water use in our global offices comes from local water authorities.	No
G4-EN10	Percentage and total volume of water recycled and reused.	Not reported. Water use in our global offices comes from local water authorities.	No
BIODIVERS	ITY		
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not reported. Fluor offices are located in urban environments, which usually do not have a biodiversity value.	No
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not reported. Fluor offices are located in urban environments, which usually do not have a biodiversity value.	No
G4-EN13	Habitats protected or restored.	Not reported. Fluor offices are located in urban environments, which usually do not have a biodiversity value.	No
G4-EN14	Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not reported. Fluor offices are located in urban environments, which usually do not have a biodiversity value.	No
EMISSIONS			
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	Health, Safety & Environment, <u>page 27</u> .	No
G4-EN16	Total direct and indirect greenhouse gas emissions by weight.	Health, Safety & Environment, <u>page 27</u> .	No



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	EMISSIONS	(continued)		
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3).	Health, Safety & Environment, <u>page 27</u> .	No
	G4-EN18	Greenhouse gas (GHG) emissions intensity.	Health, Safety & Environment, <u>page 28</u> . GHG emissions intensity is calculated using total Scope 1, 2 and 3 emissions per revenue.	No
	G4-EN19	Reduction of greenhouse gas (GHG) emissions.	Health, Safety & Environment, page 29. 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 action for facilities and the communities.	No
	G4-EN20	Emissions of ozone-depleting substances (ODS).	Not reported. These emissions from our global offices are expected to be insignificant.	No
	G4-EN21	NOX, SOX, and other significant air emissions.	Not reported. Data are not collected.	No
	EFFLUENTS	AND WASTE		
	G4-EN22	Total water discharge by quality and destination.	Not reported. Water from our global offices is discharged to local entities.	No
	G4-EN23	Total weight of waste by type and disposal method.	Health, Safety & Environment, pages 29-30. Fluor practices waste reduction, reuse and recycling at our global office locations.	No
	G4-EN24	Total number and volume of significant spills.	Health, Safety & Environment, <u>page 27</u> .	No
	G4-EN25	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.	Not reported. No wastes are generated that are covered by the Basel Convention.	No
	G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	Not reported. Water from our global offices is discharged to local entities.	No



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SPECIFIC	STANDARD DISCLOSURES		
ENVIRONM	IENTAL		
PRODUCTS	S AND SERVICES		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	Not reported. Fluor does not report on this parameter on a quantitative level.	No
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	Not reported. As a service provider, Fluor does not manufacture or sell products.	No
COMPLIAN	CE		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Health, Safety & Environment, <u>page 27</u> .	No
TRANSPOR	Т		
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	Health, Safety & Environment, <u>page 30</u> .	No
OVERALL			
G4-EN31	Total environmental protection expenditures and investments by type.	Not reported. Data are not collected.	No



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About the Company	ENVIRONMENTAL				
About the company	SUPPLIER E	ENVIRONMENTAL ASSESSMENT			
About the Report	G4-EN32	Percentage of new suppliers that were screened using	Not reported. Fluor does not track this information. Fluor uses comprehensive	No	
2013 Awards & Certifications		environmental criteria.	supplier prequalification, bid evaluation, award recommendation, award approval and		
2013 Progress Report			post-award administration processes. We also require our suppliers and subcontractors to comply with Fluor's <u>Business Conduct and Ethics Expectations for Suppliers and Contractors</u> .		
Ethics & Compliance					
Governance	G4-EN33	Significant actual and potential negative	Not reported. Fluor does not track this	No	
Employees & Workplace	Employees & Workplace		information. Fluor uses comprehensive supplier prequalification, bid evaluation, award recommendation, award approval and		
Health, Safety & Environment		taken.	post-award administration processes. We also require our suppliers and subcontractors		
Community & Social Service			to comply with Fluor's <u>Business Conduct</u> and <u>Ethics Expectations for Suppliers and</u> Contractors.		
Supply Chain & Procurement					
	ENVIRONM	ENTAL GRIEVANCE MECHANISMS			
GRI Content Index	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved	There are no known formal environmental impact grievances against the offices during the reporting period.	No	

through formal grievance

mechanisms.



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SPECIFIC	STANDARD DISCLOSURES		
SOCIAL- L	ABOR PRACTICES AND DECENT WO	RK: DMA, <u>PAGE 20</u>	
EMPLOYM	ENT		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	Not reported. This information is considered proprietary and confidential.	No
G4-LA2	Benefits provided to full- time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Employees & Workplace, <u>page 22</u> . This information is not available, as it is not tracked on a global basis.	No
G4-LA3	Return to work and retention rates after parental leave, by gender.	Not reported. Fluor does not track this information.	No
LABOR/MA	ANAGEMENT RELATIONS		
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	Not reported. This information is considered proprietary and confidential.	No
OCCUPATI	ONAL HEALTH AND SAFETY		
G4-LA5	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.	Not reported. In our offices and project sites worldwide, HSE committees are established to manage local issues using the company's global resources; however, we do not collect quantitative data on the percentage of the workforce representing these committees.	No
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	Health, Safety & Environment, pages 25-26. Fluor reports days away, restricted, or transferred incidents and total recordable cases.	No
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	Health, Safety & Environment, <u>page 26</u> .	No
G4-LA8	Health and safety topics covered in formal agreements with trade unions.	Health, Safety & Environment, <u>page 26</u> .	No
TRAINING	& EDUCATION		
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	Employees & Workplace, <u>page 23</u> . Fluor does not track training by gender or employee category, so we report training hours per year only.	No



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Contractors.



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assessments.



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About the Company	SOCIAL- HUMAN RIGHTS SUPPLIER HUMAN RIGHTS ASSESSMENT			
About the Report	G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	Not reported. Fluor does not track this information. Fluor uses comprehensive supplier prequalification, bid evaluation, award recommendation, award approval and post-award administration processes. We also require our suppliers and subcontractors to comply with Fluor's Business Conduct	No
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Ethics & Compliance			and Ethics Expectations for Suppliers and Contractors.	
Governance	G4-HR11	Significant actual and	Not reported. Fluor does not track this information. Fluor uses comprehensive	No
Employees & Workplace		potential negative human rights impacts in the supply chain and actions taken.	supplier prequalification, bid evaluation, award recommendation, award approval and	
Health, Safety & Environment			post-award administration processes. We also require our suppliers and subcontractors	
Community & Social Service			to comply with Fluor's <u>Business Conduct</u> and Ethics Expectations for Suppliers and	
Supply Chain & Procurement			<u>Contractors</u> .	
	HUMAN RIGHTS GRIEVANCE MECHANISMS			
GRI Content Index	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	Not reported. This information is considered confidential.	No



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		STANDARD DISCLOSURES					
ł		SOCIAL- SOCIETY: DMA, PAGE 14  LOCAL COMMUNITIES					
	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Not reported. Fluor does not collect this information.	No			
	G4-SO2	Operations with significant actual and potential negative impacts on local communities.	Not reported. Fluor does not collect this information.	No			
	ANTI-CORR	UPTION					
	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	Ethics & Compliance, <u>page 16</u> .	No			
	G4-SO4	Communication and training on anti-corruption policies and procedures.	Ethics & Compliance, page 17. Fluor does not publish total number of business partners trained and we do not track or publish global anti-corruption training by employee category.	No			
	G4-SO5	Confirmed incidents of corruption and actions taken.	Ethics & Compliance, page 18. Fluor does not report this type of detailed information. See Fluor's 2013 Annual Report on Form 10-K, available at investor.fluor.com, for any publicly available information on this topic.	No			
	PUBLIC PO	LICY					
	G4-SO6	Total value of political contributions by country and recipient/beneficiary.	DMA: We believe Fluor has a right and responsibility to advocate positions on issues that are vital to the company's stakeholders. Our public policy efforts are focused on policies and initiatives that promote sustainable economic growth, free markets and innovation in the markets we serve. Fluor complies with all registration and reporting regulations placed on this activity. This information is not collected or reported on a global basis.	No			
	ANTI-COM	PETITIVE BEHAVIOR					
	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	No material legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes. See Fluor's 2013 Annual Report on Form 10-K, available at investor.fluor.com, for information on material legal actions.	No			



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## SPECIFIC STANDARD DISCLOSURES

### COMPLIANCE

G4-S08 Monetary value of significant fines and total number of non-monetary sanctions for

non-compliance with laws and regulations.

See Fluor's 2013 Annual Report on Form 10-K, available at investor.fluor.com, for any information relating to material significant fines and sanctions for non-compliance with laws and regulations.

## SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY

G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on

society.

Not reported. Fluor does not track this information. The company uses comprehensive supplier prequalification, bid evaluation, award recommendation, award approval and post-award administration processes. We also require our suppliers and contractors to comply with Fluor's Business Conduct and Ethics Expectations for Suppliers and Contractors.

G4-SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken.

Not reported. Fluor does not track Nο this information. The company uses comprehensive supplier prequalification, bid evaluation, award recommendation, award approval and post-award administration processes. We also require our suppliers and contractors to comply with Fluor's Business Conduct and Ethics Expectations for Suppliers and Contractors.

## GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY

G4-SO11 Number of grievances about impacts on society filed,

addressed, and resolved through formal grievance mechanisms.

Not reported. Fluor does not collect this information.

No

No



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SPECIFIC	C STANDARD DISCLOSURES		
SOCIAL- F	PRODUCT RESPONSIBILITY		
CUSTOME	R HEALTH AND SAFETY		
G4-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.	Not reported. Fluor does not manufacture products.	No
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	Not reported. Fluor does not manufacture products.	No
PRODUCT	AND SERVICE LABELING		
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	Not reported. Fluor does not manufacture products.	No
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not reported. Fluor does not manufacture products.	No
G4-PR5	Results of surveys measuring customer satisfaction.	Not reported. Fluor does not manufacture products.	No



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	SPECIFIC STANDARD DISCLOSURES						
	SOCIAL- PRODUCT RESPONSIBILITY						
	MARKETING	G COMMUNICATIONS					
	G4-PR6	Sale of banned or disputed products.	Not reported. Fluor does not manufacture products.	No			
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	Not reported. Fluor does not manufacture products.	No			
	CUSTOMER	CUSTOMER PRIVACY					
	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Not reported. Fluor does not manufacture products.	No			
	COMPLIANCE						
	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Not reported. Fluor does not manufacture products.	No			



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