

Corporate social responsibility report

Introduction

The Group aims to demonstrate a high standard of corporate social responsibility (CSR) based on the implementation of sound policies and good practice.

The Group's Safety, Health and Environment Advisory Committee (SHEAC) was formed last year to address CSR issues and to make recommendations to the Board regarding the Group, its staff, customers and stakeholders. The Committee, which reports to the Board on a quarterly basis, is chaired by the Managing Director of Rail and includes senior managers from each of the Group's business units. Two external advisors have also been appointed to provide the Committee with independent strategic advice.

The Quality, Safety & Environment (QSE) Managers' Forum, formed in December 2002, reviews operational health & safety and environmental performance across the Group and makes recommendations to the SHEAC as part of the continuous improvement process.

During 2004 the Group aims to further integrate overall QSE strategy further and to produce an integrated Group QSE policy manual.

Health & Safety

The Group is committed to creating and maintaining a culture which provides a safe working environment for employees. The Group's Health and Safety Policy is published on the intranet.

The Chief Executive is responsible for health and safety matters at Board level and reports on these monthly. The Board also receives an annual update on health and safety legislation and best practice. Each business unit has a nominated QSE co-ordinator.

The Group's safety record has been significantly better than the national average and this achievement was recognised by the award of the Royal Society for the Prevention of Accidents' Order of Distinction to our Asset Management business. The Group's Accident Incidence Rate (AIR) for 2003 was 280 (2002: 276), well below the Health Safety Executive's (HSE) AIR target for industry generally (631) and the service industry specifically (478).

During the year, the Highways and Transportation business achieved certification for Occupational Health and Safety Assessment Series (OHSAS) 18001. WS Atkins Rail Limited is the first rail company to have its Railway Safety Case approved by the HSE for possession only work.

Environment

The Group continues to consider the impact of its business activities on the environment and has taken steps to improve its performance during the year, including:

- conducting a review of the environmental impact of the Group's business support activities, including assessing business travel in the Group's UK businesses, and monitoring gas, electricity and water consumption, waste generation and recycling;
- reviewing the Group's Environmental Policy Statement, which sets the standard for those undertaking duties on behalf of the Group;
- implementing a Group-wide environmental management framework to provide all businesses with clear guidance and protocols; and
- producing a corporate Environmental Report, which is published on our website (www.atkinsglobal.com). It is intended to update this report annually.

In the coming year, the Group will benchmark the energy efficiency of key areas of its facilities and set realistic targets for improvement.

The Chief Executive is responsible for environmental matters at Board level and reports on these monthly.

The Ethical Investment Research and Information Services (EIRIS) and Business in the Environment (BiE) have included the Group in their surveys. The Group's index score in BiE Index of Corporate Environmental Engagement rose during the year to 56% (2002: 39%).

Environmental Management Systems (EMS)

This year the Group implemented environmental management systems and procedures which provide the business with clear guidance and protocols.

During the year, both Rail and Environment and Sustainable Solutions (part of Design, Environment and Engineering) were awarded the internationally recognised BS EN ISO 14001 and the Highways and Transportation business successfully achieved this certification for all products, activities and services. Further business units are currently pursuing certification and the aim is to have approximately 50% of UK operations covered by EMS and certified to ISO 14001 by December 2004.

Environmental awareness, communications and training

The Group has developed training courses (externally certified by the Institute of Environmental Management & Assessment) covering environmental auditing and EMS implementation, together with an in-house environmental handbook available to all staff working or visiting our project sites.

Incidents and prosecutions

The Group had no prosecutions relating to environmental incidents in the last year although there were a number of incidents where the Environment Agency was involved and summarily investigated the occurrence. None of these investigations led to a formal indication of the Group being at fault.

Quality assurance

Effective quality management continues to be crucial in sustaining a competitive advantage through the high standard of our work. The Group continues to maintain its existing registrations of quality system approval satisfactorily. Approval to ISO 9001: 2000 has been the focus of attention, recognising that all approvals to the 1994 version of the Quality System Standard will no longer be valid after December 2003. A number of units have already achieved approval to the new Standard. The remaining businesses are actively implementing management programmes to ensure that approval is achieved before the deadline.

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People

Atkins is a people-based business which prospers to the extent that it is able to harness, develop and deploy the energies and skills of its employees. Human resources (HR) objectives are therefore linked closely to wider business objectives and are to:

- recruit and retain staff with the best skills available across the markets in which the Group operates;
- provide a working environment within which the skills of our employees can be used effectively, promoting resource sharing and skills transfer across the Group;
- invest in the development of our employees to meet the growing needs of the Group and its customers for a wide range of management, professional and technical skills;
- reward staff on the basis of performance and provide an opportunity for them to become and remain shareholders in the Group;
- strive to remain an “employer of choice”, particularly for graduate recruits; and
- deal with all staff equitably as well as managing the employment liabilities of the Group.

The Human Resources Director has responsibility for HR issues within the Group and reports to the Chief Executive, who is responsible for HR issues at Board level.

Resourcing

The Group continues to be a major recruiter of talent across the sectors in which it operates. During 2003, over 2,000 staff joined the Group. The Group continues to invest in its recruitment processes to ensure selection of staff with the right competence and experience to meet the changing needs of the Group and its customers.

Each year the Group recruits in excess of 250 graduates from UK universities. An increasing number of candidates investigate career opportunities and make their initial applications on-line via www.whyatkins.com.

Employee development

The Group has made a significant investment in management development and training in recent years in order to ensure that we are able to meet the majority of our management needs from within the Group. Structured management and senior management development programmes operate across the Group. These have proved extremely effective both in identifying and developing a substantial population of capable managers and in significantly improving retention rates. Development of skills for line managers is a key target for 2004.

A structured development programme is in place for graduates, accredited by a wide range of professional institutions including all the major engineering institutions. All staff have access to a portfolio of in-house professional and technical training courses covering areas such as health and safety, project management, commercial skills, communication and interpersonal skills and specific job related training. The use of personal development plans (appraisals) is promoted across the Group in order to improve objective setting and performance management and to support continuous professional development.

Working environment

The Group regularly seeks the views of employees on a range of issues affecting their employment. A confidential survey is conducted regularly covering all UK based staff. This is used to identify areas where more needs to be done to engage and motivate our employees. Overseas businesses typically conduct similar surveys locally.

The survey covers a range of issues including communication, training and development, effective use of skills and resources across the Group. The results are collected and presented to allow comparison of performance internally between business units and externally against other leading employers. The findings are then used to help to set corporate and individual objectives for the year ahead.

Reward

Whilst remuneration practices vary across the Group, in line with good practice for each of the markets within which the Group operates, overall objectives are to:

- pay competitive salaries to recruit and retain staff with the right skills and experience;
- reward individuals on the basis of performance; and
- provide a range of employee benefits appropriate to each market.

Remuneration policy and practice are kept under regular review.

Equal opportunities

The Group is committed to the fair and equitable treatment of all its employees irrespective of gender, race, disability or sexual orientation. Policies have been implemented across the Group to ensure that this commitment is fulfilled.

The Group's policy and practice is to encourage the recruitment and subsequent training, career development and promotion of disabled people on the basis of their aptitude and abilities, and the retention and re-training of employees who become disabled.

In South Africa, the Group is a 38.25% shareholder in TFMC (Proprietary) Ltd, a company established to provide asset management services to South Africa Telkom. The company has made significant commitments to employment equity in general and to black economic empowerment. These include specific targets in relation to achieving 50% representation of previously disadvantaged individuals in management positions within two years and similarly to exceeding 50% of its bulk supply chain spend with qualifying enterprises in the same time frame.

Employment liabilities

The employment liabilities of the Group are kept under careful review and action is taken to contain these liabilities where appropriate. These include pension fund liabilities and liabilities arising as a result of staff joining the Group on contracts where TUPE has applied.