

Corporate responsibility

Health and safety

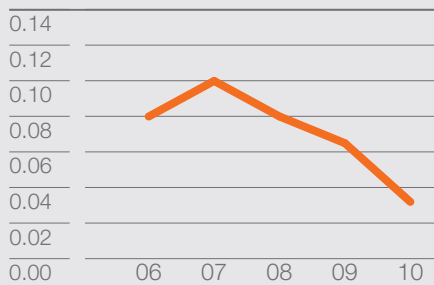
Our health and safety performance continues to deliver dramatic improvement across all of our world-wide operations when measured against a range of recognised international performance indicators



2010 Group health, safety and the environment

The level of LTI performance, the primary international benchmark to measure our safety performance, has reduced this year by a dramatic 46% on 2009 figures, the third consecutive yearly fall. The Group achieved an LTI frequency rate of 0.032 per 100,000 hours worked which again exceeded our internal target and is truly world class within our industry sector. We continue to steer the business on its journey to the ultimate goal of zero injuries/accidents and no harm to the environment.

Five-year accident statistics – Group combined



In 2010 we refreshed our Health and Safety quality management system introducing further procedures and guidelines in order to continue to improve our health, safety and environmental performance. These enhancements ensure our multinational, multicultural, multilingual workforce now has an even better understanding of our expectations and performance aspirations.

Continued expansion of our health, safety and quality external accreditation

To provide a level of assurance to our board and clients, Cape actively seeks external verification of our health, safety, environmental and technical performance by utilising external accreditors certified by the UKAS accreditation authority. In 2010 we increased the coverage of this certification and consolidated our systems across our whole international footprint. To this end all of our operations in Australia are now under the Cape accreditation umbrella increasing the total number of certificates of conformity for ISO 9001 (quality systems), 14001 (environmental) and OSHAS 18001 (health and safety) to 25.

Asbestos management and operating licences

Cape continues to offer our clients asbestos removal services. In order to provide these services asbestos licences from legislative enforcement bodies are mandatory.

Asbestos licences are only granted if systems, people and technical resources meet the highest standards. In 2010, Cape continued to develop new procedures and invest in the most

Health and Safety awards 2010

Date	Region	Award	Site	Client
May 2010	United Kingdom	Contractor of the Year with exceptional efforts in improving HSE performance	Total Preston	Total UK
Jun 2010		RoSPA Gold Award for Occupational Health & Safety 2010	N/A	RoSPA
Nov 2010		Iberdrola Award for Global Contractor of the Year for SHEQ Excellence	Longannet Power Station	Scottish Power
Nov 2010		Silver Tiger Award for Commendable Service Delivery and SHEQ Performance	Fawley Refinery	ExxonMobil
Jan 2010	Gulf/Middle East	Contribution towards 10 million man hours worked without an LTI	ADGAS Liquefaction Plant, UAE	ADGAS
Apr 2010		HSE Contractor of the Year	Bu Hasa, UAE	GASCO
Apr 2010	Far East/Pacific Rim	Contractor of the Month HSE award	Pluto Project, Karratha, Australia	Foster Wheeler Worley
Dec 2010		Project Executive award for SHES Commitments	SPT Project Singapore	ExxonMobil
Dec 2010		Safe Delivery of Campaign	Campaign Project, Brunei	SKSWood
Nov 2010	CIS, Med and North Africa	Contractor of the Year	Sakhalin-1	Exxon Neftegas

modern equipment and techniques to exceed legislative compliance and deliver exceptional, safe and efficient operations to our clients. Cape's performance was monitored and evaluated by independent experts in the field. In all cases existing licences throughout the Group were either renewed or new licences awarded – including four new licences in Australia.

Health, safety, environmental and welfare key performance indicators

In order to manage our overall health, safety, environmental and welfare performance Cape has a range of Key Performance Indicators (KPIs). These KPI's monitor our performance against a basket of reactive and proactive measures and are made available to all levels of management and form part of the regular Board report. Throughout the year the business met all the set criteria to ensure appropriate levels of control were in place.

Route map towards zero injuries/accidents and no harm to the environment

Each of our operations around the world is expected to achieve the highest performance standards.

Throughout 2010 we continued to invest and have increased the number of training and competency assessments undertaken by our people and our clients. During the next 12 months we will continue to develop best practice initiatives including behavioural safety training, supervisor training and competence programmes as well as increasing the skills of the workforce in trade activities.

Ensuring that our people are fully trained and competent to undertake their duties is fundamental to our excellent health and safety performance. To this end Cape prides itself on the investment we make in this area.

Health and Safety awards

Cape is pleased that throughout 2010 our clients have continued to recognise our outstanding health, safety and environmental performance which is internationally recognised as being of the highest standard. This recognition has been officially endorsed by a number of awards, prizes and certifications. It is especially rewarding that every one of our operations throughout the world has examples of such accolades, detailed above.

For the latest information on our approach to health and safety go to: www.capeplc.com/corporate-responsibility/health-and-safety/capesafe



Corporate responsibility continued

Our people
Developing the capability
of our organisation through
our people



Critical to our growth ambitions is the capability and commitment of our people. Real progress was made in 2010 with a number of people initiatives, aimed at strengthening the role of our people in delivering our success.

At the heart of this is the introduction of CapePeople, a shared vision and a set of values that creates the foundations for our continued growth by providing focus on what makes Cape a great place to be.

The CapePeople values are built on the three pillars of Opportunity, Capability and Commitment and these have become the focal point for all of the things we do to enable our people to be successful.

We see the launch of CapePeople as the continuation of our journey to put people alongside safety as the two key priorities that drive our business. In our first year we made some real progress, examples of which are shown here.

Opportunity

We have improved our recruitment arrangements around the Group placing even greater focus on recruiting great people, including establishing a further

three new recruitment centres (in the UK Onshore, Brunei and Algeria). These recruitment centres work together with our Skills Training & Assessment Centres of Excellence to continue our extremely successful workforce localisation strategy, where we recruit and train the local people to deliver our services to our clients today and in the future. We will also be adding more recruitment centres during 2011.

Over the last three years the number of apprentices/trainees we have recruited into the business has tripled and we have seen a large increase in the number of people who are multi-skilled, which we expect to continue.

We are now advertising all management and staff vacancies throughout the Group and this has seen the number of people being promoted or transferring within the business continue to increase providing them with the opportunities to grow and realise their potential.

In particular our operational management teams continue to strengthen, the majority of them having worked in Cape for many years acquiring valuable experience in our industry.

In addition to the internal development of our people, our senior management cadre was also strengthened through the appointment of several senior operational, finance and business development professionals during the year and we plan to strengthen this group still further during 2011.

We continue to encourage opportunities for all of our people regardless of their gender, ethnicity, disability or age.

The character of the business continues to evolve. Our increased focus on communication via more frequent team meetings has resulted in our people being more informed about the things that matter to them. This along with our leadership style of involving and empowering people at every level and encouraging them to express their ideas and take authority has had huge success.

We have further developed our Performance and Development Review process, along with our reward models which have allowed us to strengthen the link between individual contribution and overall business success as well as increasing the awareness of our people on the overall business challenges.

This is particularly evident in our UK market where through the continued delivery of two integrated change programmes Stepping Out Of The Ordinary 'SOOTO' and 'CAPEability' we have maintained market share in a very competitive environment.

Capability

The Cape Future Leader programme was introduced during the year, giving many of our managers the opportunity to develop the skills and behaviours they need to be successful in the future. This programme has a clear focus on delivering sustainable improvements in their current role whilst preparing them for the future challenges. The success of the programme led to us continuing the programme for another 60 people in 2011.

We have also seen the introduction this year of a suite of Site Supervisory & Management Training modules around the business. These programmes, one of which is delivered in partnership with ECITB (Engineering, Construction, Industry Training Board), are a clear commitment by us to invest in the capability of our site supervisory & management teams helping them to continue to act as the intelligent partner for our clients and to achieve our goal of zero injuries or accidents.

2010 also saw us meet a number of milestones for our Skills Training & Assessment Centres, none more so than in the UK business where a 4 year programme was completed to up-skill 450 scaffolders through the CISRS (Construction Industry Scaffolders Record Scheme) suite of programmes. This programme represented the single biggest investment in CISRS training by any UK employer in the last 3 years.

We have increased the capability in our Skills, Training & Assessment Centres of Excellence across the Group. Through investment in facilities and the skills of our industry experienced trainers and assessors we continue to provide suitably qualified and experienced personnel to all of our clients.

In the Far East/Pacific Rim our two Training & Assessment centres (Perth, Western Australia and the Philippines) have renewed all of their international accreditations and have extended their scope to cover all of our operating countries in the region.

We have also recently established a new regional training hub in North Africa, based in Algeria.

Commitment

Our people show great commitment, and we are committed to providing them with a safe working environment and quality equipment that is fit for purpose.

In 2010 we increased the quality of our welfare arrangements, particularly in our accommodation facilities where we are operating in line with SA8000, the Social Accountability International Standard.

We also did more than ever before in terms of work in the community through our sponsorship of events and through working alongside clients and their communities.

Our people tell us that we look after them better than our competitors, they feel part of the Cape family and our reducing labour turnover rates bear this out.

All of our business units produce regular safety newsletters, many of them showcasing the winners of our safety incentive schemes, which encourage our progressive safety culture.

We took the time to celebrate our successes, including: increasing the number of all employee recognition events that took place throughout the Group, extending our arrangements for long service awards, some of which were presented by the Chief Executive and generally took the opportunity as and when it arose to say thank you to our staff and to celebrate great achievements.

Our CapePeople journey will intensify in 2011 with the following priorities:

- Developing our leaders at all levels so they can meet growth targets
- Complete the roll-out of Site Supervisor & Management Training
- Extending the reach of our Skills Training & Assessment Centres to further develop our local workforce and ensure we recruit great people
- Recognise and reward achievements
- Establish resource plans to deliver our future work programs with highly competent committed people

For the latest information on our people development go to: www.capeplc.com/about-cape/our-people



Our recent CapePeople poster campaign has been successfully embedded into the business.



People by region

1. UK – 21%
2. Gulf/Middle East – 47%
3. CIS, Mediterranean & North Africa – 11%
4. Far East/Pacific Rim – 20%

