

**FLUOR**<sup>®</sup>

2023 INTEGRATED REPORT

# REPOSITIONED

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### Forward-Looking Statements

This report contains statements that may constitute forward-looking statements involving risk and uncertainties, including statements about market outlook, new awards, backlog levels, competition and the implementation of strategic initiatives. These forward-looking statements reflect Fluor Corporation's current analysis of existing information as of the date of this report and are subject to various risks and uncertainties. As a result, caution must be exercised in relying on forward-looking statements. Due to known and unknown risks, Fluor's actual results may differ materially from our expectations or projections. Additional information concerning factors that may influence Fluor's results can be found in our Report on Form 10-K, which is available on our website [www.fluor.com](http://www.fluor.com).

Our 2023 reporting theme, **Repositioned**, showcases how our strategy has continued to serve us well over the last three years, enabling us to adapt to market trends and deliver consistent value for our shareholders, clients, employees, partners and communities. It reflects our preparedness for the future and commitment to adaptability and growth.

Building a better world is our purpose. We care deeply about safety and seek to drive quality and efficiency in all that we do. We behave ethically, inclusively and responsibly for a brighter future.

We support our clients in solving critical challenges. We operate throughout the project lifecycle, from conceptual design, engineering, procurement and construction to the operations and maintenance of facilities.

Clients, partners and communities trust Fluor because we are here for the long term – delivering successful projects of both scale and significance for more than a century. From the spark of an idea to a project's completion, our over 30,000 colleagues in more than 60 locations around the globe provide professional and technical solutions with world-class expertise.

**This is Fluor... we are building a better world.**



*Ascension Island Airfield Rebuild // Ascension Island*



*LNG Canada Export Facility // Kitimat, B.C., Canada*



*Quellaveco Open-Pit Copper Mine // Moquegua, Peru*



**DAVID E. CONSTABLE**  
Chairman and Chief Executive Officer

# CHAIRMAN AND CEO REFLECTIONS

## **REPOSITIONED TO DELIVER CONSISTENT VALUE**

Dear stakeholder,

2023 was a milestone year for Fluor. Our continued focus on operational excellence and financial discipline enabled the company to emerge repositioned and healthy. We are poised to create sustainable stakeholder value across our business segments and capitalize on the various opportunities in the end markets we serve.



## “We ended 2023 with optimism for 2024. As we continue to execute on our strategy, we are repositioned to deliver consistent value with a strong backlog and prospect pipeline.”

Our strategy continues to serve us well, and in just three years, has helped us reposition the company to deliver value for our shareholders, clients, employees, partners and communities. We have made important progress toward being the preeminent leader in professional and technical solutions across all the industries we support while maintaining our position in the marketplace as one of the few companies that can deliver both engineering and construction for large-scale, complex projects.

In 2023, our project mix was the most diverse it has been in years, both in sector and geography. Non-traditional oil and gas projects comprised 65% of our revenue, while 76% of new awards were related to projects located outside of the United States. Our capital structure, along with our cash flow and earnings, continues to improve based on actions taken in 2023. Fueled by a robust backlog, a promising prospect pipeline and secure finances, we are capitalizing on the opportunities at hand.

### REFLECTING ON OUR PERFORMANCE

Our accomplishments in 2023 not only reflect significant progress against all areas of our **‘building a better future’** corporate strategy; they also illustrate the value Fluor brings to our stakeholders. The following are a few key 2023 financial performance proof points:

- **Our total revenue increased by 13% to \$15.5 billion** versus \$13.7 billion in 2022. We aim to continue driving growth across the portfolio by increasing the percentage of non-traditional oil and gas project revenue from 65% to greater than 70% in 2024.
- **Our new awards totaled \$19.5 billion**, 87% of which were reimbursable. Since implementing our strategic priorities in 2021, we have secured nearly \$50 billion in new fair and balanced contracts.
- **Our ending backlog of \$29.4 billion** means that 2024 and the years ahead will be both busy and exciting as our offices around the world gear up to execute megaprojects in the Americas, Europe and Asia.
- Fluor’s **backlog mix has grown from 63% reimbursable in 2022 to 76%** at the end of 2023, providing a risk-balanced portfolio. We surpassed our 75% goal one year ahead of schedule and intend to maintain this level of reimbursable backlog to support consistent and reliable earnings.
- We **reduced the stated interest rate on outstanding debt** by 100 basis points to a weighted average rate of 2.7%.
- Since year end 2020, we have **substantially improved our debt-to-capitalization ratio from 63% to 37%**.

Our strong client relationships continue to be a huge contributor to our success. We see a large portion of repeat business in our pipeline, which reaffirms the trust our clients have in our integrity and ability to meet their project execution expectations.

Beyond these achievements, I would like to highlight the progress we have made in several other key areas:

- We are **leaders in safety**. Through our continued focus on safety, we improved our total case incident rate (TCIR) and our days away, restricted or transferred (DART) rate to 0.29 and 0.15, respectively, in 2023 compared to 0.34 and 0.19 in 2022. We are proud of being awarded the International Safety Award from the British Safety Council; and we remain committed to sending our people, our partners and our subcontractor personnel home safely to their families and loved ones every day.
- Our **people focus** remains front and center. We are investing in our people and creating a more inclusive work environment for everyone, ensuring that there are avenues for career growth. In 2023, talent acquisition efforts led to nearly 5,000 staff additions notwithstanding a significant headcount reduction related to the divestment of Stork Latin America.
- We are **reaching our sustainability goals**. Fluor achieved our Net Zero 2023 commitment, reducing the Scope 1 and Scope 2 greenhouse gas emissions of our offices and associated fleet to net zero. This is a significant milestone in our journey as we shift our focus to helping our clients achieve their sustainability goals, which has a much greater global impact.
- Our **energy transition portfolio** has been gaining momentum. In 2023, nearly 40% of our new awards were energy transition-related, led by projects in renewable fuels, the battery value chain and carbon reduction.
- As a company and through our employees, **we continue our focus of giving back to the communities** where we live and work. Illustrating Fluor’s generosity and purposeful commitment to philanthropy, our employees increased their volunteer hours by nearly 50% compared to 2022.

### REFLECTING ON OUR STRATEGIC DIRECTION

We developed our **'building a better future'** strategy in 2021.

As can be seen in the infographic below, we:

- confirmed our purpose, vision and core values;
- considered the aspirations of our stakeholders;
- evaluated the overarching market conditions impacting the industries of our clients as well as the competitive environment;

- identified four industry megatrends that shaped our strategy reset; and
- articulated our strategic priorities.

By delivering on our strategy, we seek to become the preeminent leader in professional and technical solutions while maintaining our global engineering and construction expertise.

## REPOSITIONED THROUGH OUR STRATEGY

### OUR PURPOSE

**Building a better world** echoes our ambition and forms the foundation of our culture.

### OUR VISION

As a valued partner, we deliver innovative and sustainable solutions that enable all our stakeholders to flourish.

### OUR CORE VALUES

Serving as our behavioral compass, we embrace four core values, and our employees live them every day.

#### SAFETY

We care for each other. Living *Safer Together*<sup>SM</sup> promotes the wellbeing of all people, our communities and the environment.

#### INTEGRITY

We do what is right. Trust, accountability and fairness define our character.

#### TEAMWORK

We work better together. Collectively, we thrive when we include, respect and empower one another.

#### EXCELLENCE

We deliver solutions. Our high-performance teams embrace opportunities, solve challenges and continuously improve.

### STAKEHOLDER ASPIRATIONS

Our stakeholders expect the following key elements from us:

**ATTRACTIVE INVESTMENT**

**GREAT PLACE TO WORK**

**TRUSTED ADVISOR**

**POSITIVE IMPACT**

### INDUSTRY MEGATRENDS

After assessing the market dynamics affecting our clients' industries and considering the competitive landscape, we identified the following four megatrends:

**BEYOND GLOBALIZATION**

**INDUSTRY 4.0**

**ENERGY TRANSITION & URBANIZATION**

**STAKEHOLDER ENGAGEMENT**

**PERFORMANCE AGAINST OUR STRATEGIC PRIORITIES**

Our four strategic priorities are enabling us to drive revenue growth in new markets, de-risk backlog, restore our capital structure and improve project execution.

We revalidated our strategy with the Board of Directors in November 2023. This recent review, paired with the achievement of several strategic milestones in 2023, confirms that our strategy is working.

The infographic below highlights the progress made since establishing our strategy in 2021.

On the pages to come, members of the Fluor Management Team share more highlights achieved by their businesses and functions. You can also read more about our Board of Directors and their responsibilities on pages 10-11.

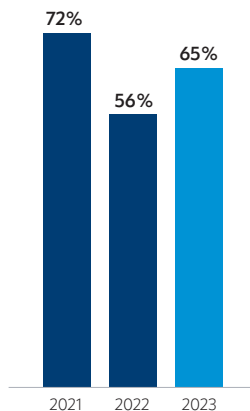
**OUR STRATEGIC PRIORITIES**



**DRIVE GROWTH ACROSS THE PORTFOLIO**

We are diversifying our revenue across our portfolio into key growth markets, such as energy transition and advanced manufacturing. Progress is shown in the percentage of our revenue that is outside of traditional oil and gas.

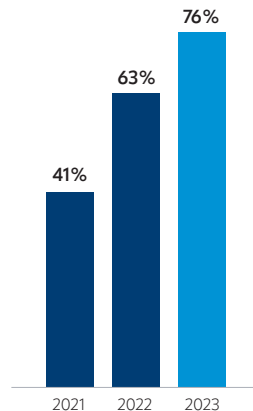
**Revenue outside of traditional oil and gas**



**PURSUE FAIR AND BALANCED CONTRACT TERMS**

We are de-risking our backlog by reducing exposure to high-risk projects and increasing the percentage of reimbursable work in our backlog. We surpassed our goal to have more than 75% of our backlog reimbursable one year ahead of schedule.

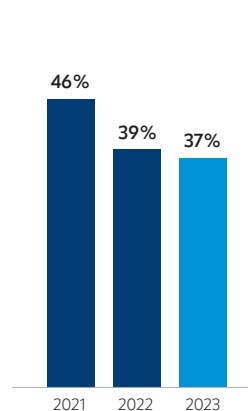
**Reimbursable backlog**



**REINFORCE FINANCIAL DISCIPLINE**

We are rebuilding and maintaining a solid balance sheet and strong cash position. Our debt-to-capitalization ratio continues to improve.

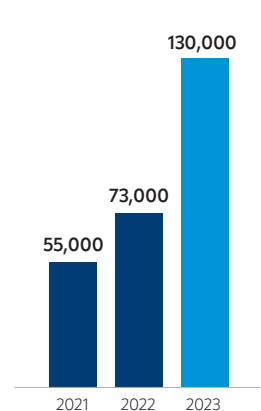
**Debt-to-capitalization ratio**



**FOSTER A HIGH-PERFORMANCE CULTURE WITH PURPOSE**

We are fostering a high-performance culture with purpose, focused on high-quality project execution, inclusivity and sustainability. As our people are our most important asset, we invest in and encourage ongoing learning and development.

**Learning and development training hours**



## CHAIRMAN AND CEO REFLECTIONS continued

### LOOKING AHEAD TO 2024

We ended 2023 with optimism for 2024. As we continue to deliver on our strategy, we have repositioned Fluor with a strong backlog and prospect pipeline. Our capital structure is robust and well positioned to serve the needs of our clients and shareholders.

In Energy Solutions, we will continue to focus on energy transition markets along with chemicals opportunities globally. Within Urban Solutions, we are strengthening our advanced technologies and life sciences footprint as we pursue additional work in the pharmaceutical manufacturing, semiconductors and data center markets. In the mining and metals sector, we are leveraging our strong performance on the Quellaveco project to secure additional awards. In Mission Solutions, we are expanding our presence in the national security market, which includes technical and intelligence services.

• [Read more about our business segments on pages 14-25](#)

Our actions to execute our strategic priorities include deleveraging our balance sheet and de-risking our backlog. This helps to drive revenue growth in new markets and enhance project execution, and we are confident that our strategy is creating a business that will generate consistent earnings and cash flow.

### PERSONAL APPRECIATION

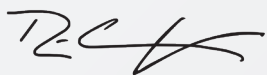
To our employees, thank you for your unwavering commitment, focus and passion, which are delivering significant value for all our stakeholders. I am proud of your resiliency, dedication and accomplishments, both collectively and individually.

I would like to commend the Fluor Management Team for their leadership and dedication in executing our strategy.

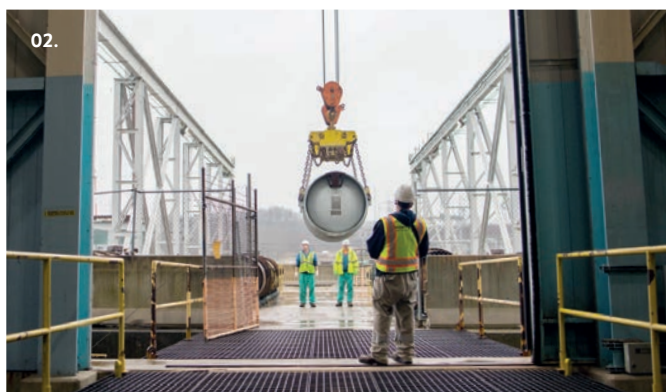
To our Board of Directors, your continued support and guidance remain invaluable. On behalf of the Board, we are pleased to welcome back Lisa Glatch, a former executive of Sempra Energy and Fluor, to our Board.

To our clients, we appreciate you trusting us with your capital projects and allowing us to support you in solving many of your challenges and pursuits. Finally, to our partners, shareholders and investors, thank you for continuing to believe in Fluor and for recognizing the value we work so hard to deliver every day.

Please stay safe and keep well.



**DAVID E. CONSTABLE**  
Chairman and Chief Executive Officer  
Fluor Corporation



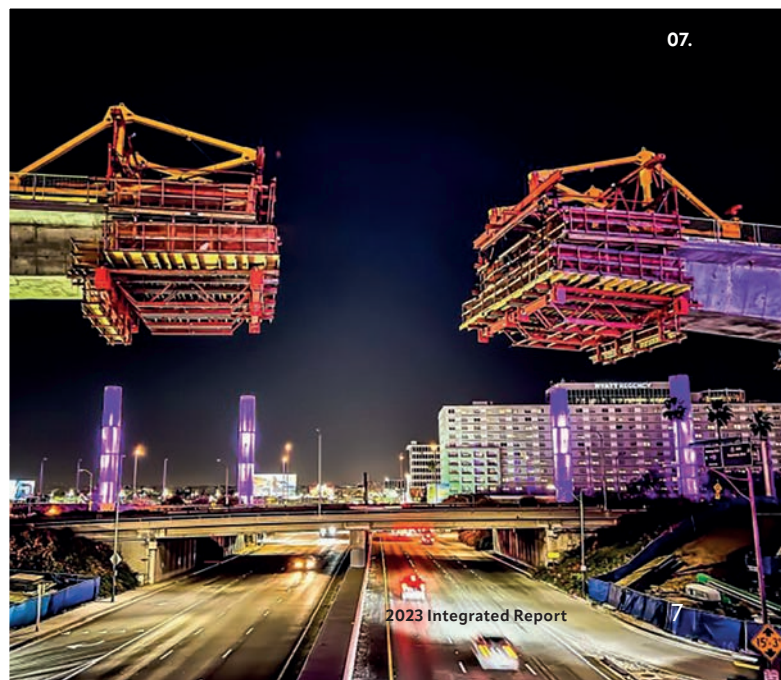




01. Training session // Amsterdam, Netherlands 02. Portsmouth Decontamination & Decommissioning project // Piketon, Ohio, United States  
 03. Engineers collaborate on a rare earths refinery project // New Delhi, India 04. Field workers on a highway infrastructure project // Dallas, Texas, United States  
 05. Module transport to LNG Canada Export Facility // Kitimat, B.C., Canada 06. Fluor Cares volunteers plant mangrove trees // Cebu, Philippines  
 07. LAX Automated People Mover (APM) project under construction // Los Angeles, California, United States



06



07.



# LEADING FOR THE FUTURE

## FLUOR MANAGEMENT TEAM



### 01. DAVID E. CONSTABLE Chairman and Chief Executive Officer

David is Chairman and Chief Executive Officer of Fluor Corporation and has been a member of the Board of Directors since 2019. He first joined the company in 1982.

● [Read more on pages 2-6](#)

### 02. JIM BREUER Group President, Energy Solutions

Jim has been Group President, Energy Solutions, since January 2021. He joined the company in 1993.

● [Read more on pages 18-21](#)

### 03. AL COLLINS Group President, Corporate Development and Sustainability

Al has been Group President, Corporate Development and Sustainability, since January 2021. He joined the company in 1994.

● [Read more on pages 36-39](#)

### 04. TERRY TOWLE Group President (Retired), Urban Solutions

Terry served as Group President, Urban Solutions, from January 2021 through December 2023. He joined the company in 1982 and retired from Fluor in March 2024.

● [Read more on pages 22-25](#)

### 05. MARK FIELDS Group President, Project Execution

Mark has been Group President, Project Execution, since January 2021. He joined the company in 1981.

● [Read more on pages 28-31](#)

### 06. THOMAS (TOM) D'AGOSTINO Group President, Mission Solutions

Tom has been Group President, Mission Solutions, since January 2021. He joined the company in 2013.

● [Read more on pages 14-17](#)





**07. STACY DILLOW**  
Executive Vice President,  
Chief Human Resources Officer

Stacy has been Executive Vice President and Chief Human Resources Officer since 2019. She first joined the company in 1996.

• [Read more on pages 32-35](#)

**08. JOSEPH (JOE) BRENNAN**  
Executive Vice President,  
Chief Financial Officer

Joe has been Executive Vice President and Chief Financial Officer since July 2020. He joined the company in 1991.

• [Read more on pages 26-27](#)

**09. JOHN REYNOLDS**  
Executive Vice President,  
Chief Legal Officer and Secretary

John has been Executive Vice President and Chief Legal Officer since 2019 and Secretary since 2020. He joined the company in 1985.

• [Read more on pages 40-41](#)

**10. ROBERT TAYLOR**  
Executive Vice President,  
Chief Information Officer

Robert has been an Executive Vice President since 2022 and has been Chief Information Officer since 2014. He first joined the company in 1986.

• [Read more on pages 42-43](#)

**11. ANTHONY (TONY) MORGAN**  
Group President,  
Urban Solutions

Tony was appointed Group President, Urban Solutions, effective January 2024. He joined the company in 1990.

• [Read more on pages 22-25](#)

▶ [For more information about the Fluor Management Team, please visit our website.](#)

# GUIDING FOR THE FUTURE

## BOARD OF DIRECTORS

Our Board of Directors provides ongoing guidance to the Fluor Management Team in the interest of shareholders. Additionally, our Board plays an important role in our corporate governance process.

### KEY BOARD RESPONSIBILITIES

- Advising and counseling management regarding significant issues facing the company.
- Assessing senior management and Board succession planning, taking into account diversity of thinking, experience, gender and ethnicity.
- Overseeing the company's integrity and ethics programs to remain compliant with laws.
- Evaluating and shaping the company's overall strategy and long-term strategic goals.
- Monitoring operating results and financial performance as well as overseeing financial reporting and the inclusion of certain non-financial (environmental, social and governance) metrics.
- Understanding and assessing risks to the company, taking into account, among others, the four megatrends identified in 2021.
- Overseeing and guiding the company's engagement with key constituents, including shareholders, employees and communities.

### BOARD METRICS AT THE END OF 2023

**90%**

**Independent**  
(2022: 89%)

**30%**

**of Directors added within the last 4 years**  
(2022: 44%)

**40%**

**Female**  
(2022: 32%)

**50%**

**Blended (Female and ethnic minority)**  
(2022: 44%)

### BOARD OVERSIGHT

The Board is highly engaged in assessing risk management, compliance, sustainability, stakeholder and governance matters and regularly receives updates on our performance, initiatives and challenges via four committees.

#### Audit Committee

- Oversees compliance with legal and regulatory requirements.
- Reviews and discusses the company's enterprise risk management process, significant enterprise risks and internal controls.

#### Commercial Strategies and Operational Risk Committee

- Reviews and discusses risk related to prospects and current projects.
- Coordinates and communicates with the Board's Audit Committee regarding risk assessment and risk management.

#### Governance Committee

- Reviews and receives management reports regarding sustainability, stakeholder and governance programs, initiatives and metrics.
- Reviews policies and procedures relating to charitable, educational and political contributions.
- Oversees the Board composition, qualifications and diversity.

#### Organization and Compensation Committee

- Plays a key role in human capital management and overseeing strategic employment and workplace policies, practices and outcomes, including those relating to equal employment opportunity; nondiscrimination; inclusivity in the workplace; and environmental, health and safety policies.
- Leads succession planning for the CEO and oversees succession for the other C-suite members.



**ALAN M. BENNETT**  
Director since 2011

Lead Independent Director; Audit Committee Chairperson; Executive Committee Member; and Organization & Compensation Committee Member.



**ROSEMARY T. BERKERY**  
Director since 2010

Governance Committee Chairperson; Executive Committee Member; and Audit Committee Member.



**DAVID E. CONSTABLE**  
Director since 2019

Chairman and Chief Executive Officer; and Executive Committee Chairperson.



**H. PAULETT EBERHART**  
Director since 2020\*

Organization & Compensation Committee Member and Commercial Strategies & Operational Risk Committee Member.



**LISA GLATCH**  
Director since 2024

Audit Committee Member and Commercial Strategies & Operational Risk Committee Member.



**JAMES T. HACKETT**  
Director since 2016\*\*

Organization & Compensation Committee Chairperson; Executive Committee Member; and Commercial Strategies & Operational Risk Committee Member.



**THOMAS C. LEPPERT**  
Director since 2019

Governance Committee Member and Commercial Strategies & Operational Risk Committee Member.



**TERI P. MCCLURE**  
Director since 2020

Audit Committee Member and Governance Committee Member.



**ARMANDO J. OLIVERA**  
Director since 2012

Commercial Strategies & Operational Risk Committee Chairperson; Executive Committee Member; and Governance Committee Member.



**MATTHEW K. ROSE**  
Director since 2014

Audit Committee Member and Organization & Compensation Committee Member.

\* Former Board service from 2010 to 2011.

\*\* Former Board service from 2001 to 2015.

# OUR YEAR IN REVIEW

## 2023 PERFORMANCE HIGHLIGHTS

Our 2023 performance proved that our strategy is delivering results and has repositioned the company for further growth. Our strategy and strategic priorities are enabling us to achieve our stakeholder aspirations and create ongoing shareholder value. We highlight our key financial and non-financial data in this infographic.



## FINANCIAL PERFORMANCE

Revenue

**\$15.5B**

(2022: \$13.7B)

New awards

**\$19.5B**

(2022: \$19.8B)

Percentage of reimbursable backlog

**76%**

(2022: 63%)



## PROJECTS AND PARTNERSHIPS

LNG Canada Export Facility is

**90%**

complete

**\$1.6B**

contracts with indigenous Canadian businesses

Won

**\$7.0B**

in new awards related to **energy transition**

Expanding our presence in the **national security market**



## HEALTH, SAFETY AND ENVIRONMENT

**29,000**

trees planted in 2023  
(2022: 24,000 trees)

**Achieved our Net Zero 2023 commitment**

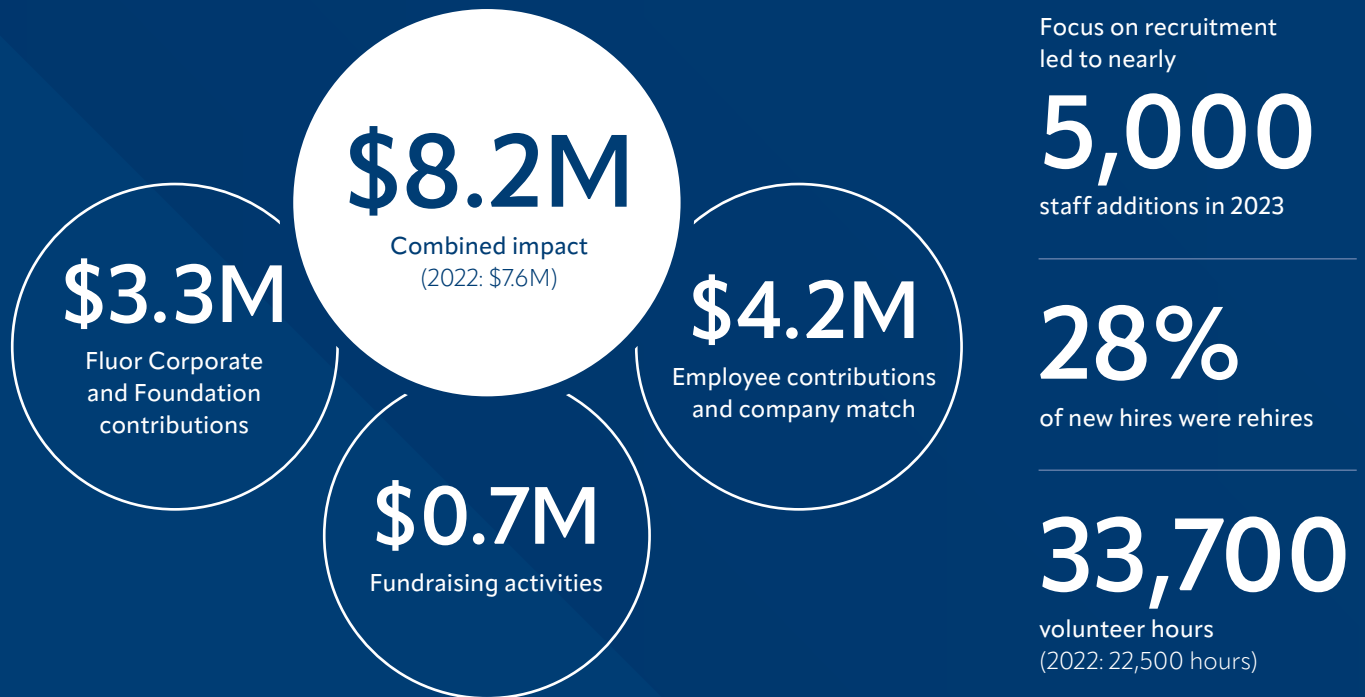
(Scopes 1 & 2 greenhouse gas emissions of offices and associated fleet)

**30%**

of our backlog consists of energy transition projects  
(2022: 17%)



## PEOPLE AND COMMUNITIES





**TOM D'AGOSTINO**  
Group President,  
Mission Solutions

# EXPANDING OUR GOVERNMENT SUPPORT EFFORTS

## MISSION SOLUTIONS

### REPOSITIONED TO DELIVER VALUE: 2023 PERFORMANCE HIGHLIGHTS

- Driving growth by cultivating core service offerings while also **pursuing adjacencies and technology-based opportunities.**
- Combined defense and intelligence business areas to **focus our pursuit of the national security market.**
- Supporting projects in **nuclear fuel, fission and fusion** as well as large nuclear security facilities for the government.

### FEATURED METRICS

**\$116M**

Segment Profit  
(2022: \$136M)

**\$1.1B**

New Awards  
(2022: \$5.3B)

**\$2.7B**

Revenue  
(2022: \$2.3B)

**\$3.9B**

Backlog  
(2022: \$5.7B)



# Q&A

with Tom D'Agostino, Group President, Mission Solutions

## How is Mission Solutions fulfilling Fluor's purpose to build a better world?

The work we do directly affects the quality of life, safety and security for everyone we serve. It is deeply meaningful and rewarding.

Our national security solutions deliver the services and support that deployed forces need to sustain their missions. Our offerings to the intelligence community keep operations running 24/7 with zero failure tolerance. We get communities back on their feet after natural disasters, and, as leaders in nuclear operations and security, we safeguard nuclear materials and manage operations at some of the world's largest and most sophisticated nuclear facilities.

Through our work with the Federal Emergency Management Agency (FEMA), we step in and help when disasters affect the safety and wellbeing of thousands of people. Most recently, we supported FEMA's workforce, deploying over 265 personnel to Florida to assist in the state's recovery efforts following Hurricanes Ian and Nicole.

Our work in support of Operation Allies Welcome was a coordinated effort across the federal government to resettle vulnerable Afghans in the United States. At Holloman Air Force Base in New Mexico, we created a fully functioning village where 7,000 Afghan refugees lived temporarily. Given the need to construct and operate the village within a week, our team worked around the clock to put in place the infrastructure, housing, catering, medical and recreational facilities to build a community.

**"Building a better world means people know that when Fluor shows up, their lives are going to improve."**

## How is Mission Solutions driving growth across Fluor's portfolio?

Our goal is to deploy Fluor's technical expertise and solutions to the United States Government and to grow in technically advanced and higher-margin markets that drive sustainable revenue.

We are supporting projects in nuclear fuel, fission and fusion as well as large nuclear security facilities for the United States Government. We are also growing our mission-critical infrastructure and technical solutions needed by the intelligence community, Department of Defense and other agencies.

Finally, we restructured our defense and intelligence businesses into a new national security business. This move aligns with our strategic priorities and changing market dynamics, while helping us add capabilities to provide technical solutions to more clients and in new markets. Our talented teams are now better positioned to accelerate growth in core and adjacent markets and to assist our clients in meeting their mission objectives.

## WHAT WERE A FEW 2023 PROJECT HIGHLIGHTS?

The Southern Ohio Cleanup Company, a Fluor joint venture, was selected to deliver the closure of the **Portsmouth Decontamination & Decommissioning project**. This award was earned, in part, because we and our partners have an unsurpassed performance record of delivering critical decontamination and decommissioning work across the complex.

Fluor Marine Propulsion, LLC, a Fluor-owned special purpose entity, received a five-year contract extension from the United States Department of Energy's National Nuclear Security Administration (NNSA) for **management and operation of the Naval Nuclear Laboratory** with primary facilities in New York, Pennsylvania and Idaho.

In January 2023, Fluor-led Savannah River Nuclear Solutions (SRNS) began dismantling and removal work on a legacy NNSA project as a key step toward the construction of a multibillion-dollar plutonium facility. Fluor is the construction manager on the **Savannah River Plutonium Processing Facility (SRPPF)** whose mission is part of the NNSA's long-term strategy for modernizing the nation's nuclear deterrent. Once constructed and operational, SRPPF will produce the bulk of the nation's supply of plutonium pits in support of sustainable nuclear deterrence.

We completed a full-depth rebuild of the remote runway at the **Ascension Island Airfield** in April 2023.

• [Read more about the Ascension Island Airfield Rebuild on pages 16-17](#)

# ASCENSION ISLAND AIRFIELD REBUILD

## MISSION SOLUTIONS PROJECT SPOTLIGHT

### PROFILE

**Client:**

Department of the Air Force

**Location:**

Ascension Island in the South Atlantic

**Type of Project:**

Complete rebuild of the Ascension Island Airfield runway

**Duration:**

Began in 2020 with completion in 2023

**Scope of Work:**

Runway replacement and widening; replacement of the approach lighting system

Supporting the United States Department of the Air Force and the United Kingdom's Royal Air Force, Fluor completed an airfield rebuild at Ascension Island.

Executing this project safely and efficiently required incredibly complicated logistics. Not only did the Fluor team execute this project during the height of the COVID-19 pandemic, but the island is also located in the middle of the South Atlantic Ocean: 1,000 miles off the coast of Africa and 1,400 miles from South America.

Every piece of equipment and all materials had to be sourced off the island and transported thousands of miles. With only a small port facility on the island and no viable pier for docking modern ocean shipping, the Fluor team offloaded materials and equipment onto barges that docked at the existing pier. From there, the barge loads were moved inland to the laydown yard via truckloads.

Ascension Island's marine protected area is home to endangered plants and animals, and the Fluor team ensured the safety of these species. For example, the team erected a diversionary fence around the port and fenced-off beaches to monitor sea turtle activities. Barge landings were timed for mid-August through mid-December to avoid peak turtle nesting season. Turtle fencing inspections, biosecurity traps and specimen collecting were organized with the island's conservation center.

The 10,000-foot airfield plays a significant role in supporting the United States Space Force and Air Force, the United Kingdom's Royal Air Force and several other military mission requirements, as well as governmental agencies located on the British-owned island. It is also the most complex project executed by the Air Force in years.



*Runway inspection work performed // Ascension Island*

**“With this project’s completion, the airfield has returned to full operational readiness, providing the infrastructure needed to maintain Air and Space Force capabilities in the South Atlantic.”**

**TOM D’AGOSTINO**

Group President, Mission Solutions

**10,000**

linear feet of runway plus 1,000 linear feet of overruns replaced

**19,000**

truckloads hauled from the pier to the airfield

**25,000**

linear feet of edge light conduit and 198 lighting fixtures replaced

Widened runway shoulders from

**25 feet to 50 feet**



A plane lands on the rebuilt runway // Ascension Island

**PROJECT LOCATION**





**JIM BREUER**  
Group President,  
Energy Solutions

# TRANSFORMING THE ENERGY SECTOR

## ENERGY SOLUTIONS

### REPOSITIONED TO DELIVER VALUE: 2023 PERFORMANCE HIGHLIGHTS

- Drove growth by leveraging execution and technology strengths. In 2023, **70%** of new award projects (by count) **were sole source awards** and **40%** **were follow-on awards** on existing projects.
- Grew **energy transition project backlog** within the Energy Solutions business segment to **48%** in 2023 compared to **10%** in 2022.
- Positioned for **growth across multiple chemicals projects** including battery chemicals and low-carbon ethylene.

### FEATURED METRICS

**\$381M**

**Segment Profit**  
(2022: \$301M)

**\$6.9B**

**New Awards**  
(2022: \$6.5B)

**\$6.3B**

**Revenue**  
(2022: \$5.9B)

**\$9.7B**

**Backlog**  
(2022: \$9.1B)



# Q&A

with **Jim Breuer, Group President, Energy Solutions**

## How is Energy Solutions driving growth across Fluor's portfolio?

We are building and executing quality backlog in both traditional and energy transition markets, while delivering on Fluor's strategic priorities. Through this effort, we are seeing significant growth in our energy transition portfolio of technologies and applications to help our clients achieve their sustainability goals.

### ENERGY TRANSITION PROJECTS\*

**10%**

of backlog in 2022

**48%**

of backlog in 2023

\* of Energy Solutions business segment

We are leveraging our execution and technology strengths to win new projects and pull existing projects to the next phases. In 2023, 70% of new award projects (by count) were sole source awards and 40% were conversions from early phase work we performed.

We are emphasizing long-term relationships and Fluor's value proposition. We are seeing the benefits of this focus in new awards for a net-zero ethylene cracker, a refinery decarbonization project and multiple facilities in the battery chemicals space.

**"Our clients have trusted Fluor to deliver countless projects that lower carbon emissions and provide energy security. Together, we are transforming the energy sector."**

## How is Energy Solutions fulfilling Fluor's purpose to build a better world?

Our diverse portfolio of projects contributes to sustainable economic and social progress by meeting today's global needs for energy and chemicals. The world is experiencing shifting energy and chemical demands, geopolitical instability and global sustainability concerns, which are increasing commitments to energy transition, security and diversification. These shifts are driving work in various markets including petrochemicals, renewable fuels, carbon capture, hydrogen energy, battery chemicals, liquified natural gas (LNG) and commercial nuclear power.

We also understand that honoring local traditions and engaging communities are key to cultivating an inclusive and prosperous future. At the LNG Canada project in Kitimat, British Columbia, we work closely with local communities and First Nations to ensure that job and enterprise opportunities exist to create a strong and sustainable future. Of the 8,200 people working on the project, 98% are from Canada and a quarter of that population is from British Columbia. We are also buying materials locally for the project. We spent more than \$331 million on goods and services from local businesses and more than \$1.6 billion on contracts with indigenous businesses.

## WHAT WERE A FEW 2023 PROJECT HIGHLIGHTS?

Commissioning and start-up activities are ongoing at the ICA Fluor **Dos Bocas refinery** in Mexico. The project achieved mechanical completion in 2023. When operational, the facility is expected to add significant capacity to Mexico's refining system.

Fluor completed the **New Fortress Energy Fast LNG-1 project** in 2023. This is the first project in the world to deploy a modular, mid-scale LNG solution onto mobile jack-up rigs. First gas was introduced in November 2023.

The **Albemarle Meishan project**, in China, reached mechanical completion at the end of 2023. Fluor provided engineering, procurement and construction management services for the facility, which will produce 50,000 tons of lithium hydroxide per year, an essential precursor material for high-performance lithium-ion batteries in electric vehicles.

At the **LNG Canada Export Facility**, construction is 90% complete, and we are well into pre-commissioning and commissioning activities.

► [Read more about the LNG Canada project on pages 20-21](#)

# LNG CANADA EXPORT FACILITY

## ENERGY SOLUTIONS PROJECT SPOTLIGHT

### PROFILE

**Client:**

LNG Canada, a joint venture between Shell, Petronas, PetroChina, Mitsubishi Corporation and Korea Gas Corporation

**Location:**

Kitimat, British Columbia, Canada

**Type of Project:**

Liquefied natural gas (LNG) export terminal

**Duration:**

Mobilized to site in October 2018 with target completion in mid 2025

**Scope of Work:**

Engineering, procurement, fabrication, construction and commissioning (EPFCC) services for Phase I


Fluor, along with our joint venture partner JGC Corporation, is delivering EPFCC services for the LNG Canada project. It is Fluor's largest lump-sum project, as well as the largest Energy Solutions self-perform construction project. Upon completion, this facility will help meet the world's rising energy demand and displace carbon-intensive forms of energy such as coal.

The facility encompasses two LNG processing trains, each with an LNG production capacity of 7 million tons per year, as well as a natural gas receiving facility, marine terminal, LNG loading lines, tugboat dock, storage tanks, railyard, water treatment facility and flare stacks. The project workforce peaked at 8,200.

The construction process is unique due to the utilization of a cost-effective modular approach. Large and complex modules were assembled by several existing local and international fabrication yards and transported to site, minimizing construction congestion and disruptions in the community. In total, 215 modules were built and transported to the site, with the final module from Zhuhai, China received at the site in July 2023.

As an EPFCC greenfield project, covering 400 hectares of land in the Kitimat industrial area, the facility's design had to meet some of the strictest regulatory standards in the world for safety, sustainability and environmental protection. In consultation with First Nations, work activities were planned to minimize potential impacts to the environment. Utilizing advanced work packaging, Fluor also achieved our goal of a safer project site. In parallel, we decreased risk and improved productivity to ensure cost and schedule predictability.

Members of the LNG Canada team // Kitimat, B.C., Canada



**"We are proud to build Canada's first large LNG export facility, which will support global energy security for years to come."**

**JIM BREUER**

Group President, Energy Solutions



**25,000,000**

work hours achieved without a lost-time incident at the Kitimat site

**6,000,000**

cubic meters of cut/fill

**215**

modules built and transported to site

**2,200km**

of cable and more than 400km of piping

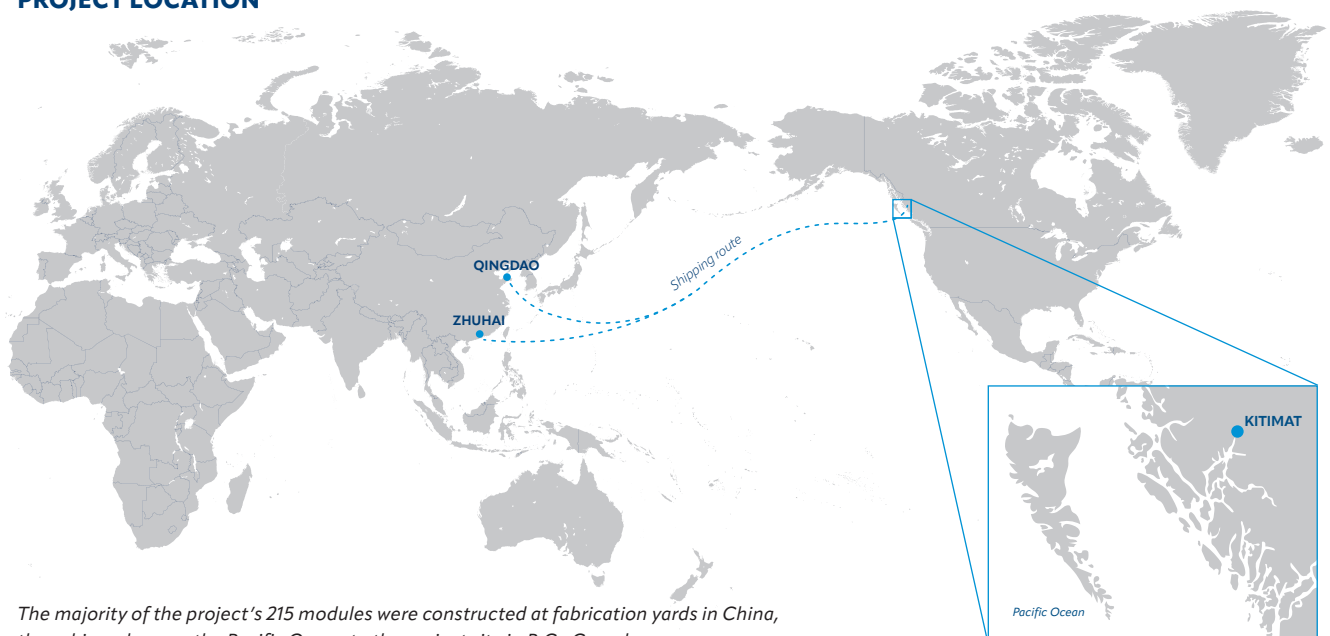
**99.1%**

compliance score on Fluor's Health, Safety and Environmental Life Critical<sup>SM</sup> Audit



Aerial view of the LNG Canada site // Kitimat, B.C., Canada

**PROJECT LOCATION**



The majority of the project's 215 modules were constructed at fabrication yards in China, then shipped across the Pacific Ocean to the project site in B.C., Canada.



**TERRY TOWLE**  
Group President (Retired),  
Urban Solutions

# PROVIDING SOLUTIONS FOR THE URBANIZING WORLD

## URBAN SOLUTIONS

### REPOSITIONED TO DELIVER VALUE: 2023 PERFORMANCE HIGHLIGHTS

- **Completed the Quellaveco Open-Pit Copper Mine**, one of the largest and most technologically advanced copper mines in the world.
- Achieved substantial growth across the business, particularly in our advanced technologies and life sciences businesses, where we **doubled our new award sales plan**.
- **Reduced our recordable incident rate by 49%** across Urban Solutions, thanks to the dedicated safety focus of our entire team.

### FEATURED METRICS

**\$268M**

**Segment Profit**  
(2022: \$17M)

**\$10.1B**

**New Awards**  
(2022: \$6.9B)

**\$5.3B**

**Revenue**  
(2022: \$4.4B)

**\$14.8B**

**Backlog**  
(2022: \$10.3B)



# Q&A

with Terry Towle, Group President (Retired), Urban Solutions

## What has your team done over the last year that exemplified Fluor's core value of excellence?

Our team has seen the results of their dedication to excellence in several areas of the business this past year, specifically relating to safety and project execution.

On the safety front, across Urban Solutions, we reduced our recordable incident rate by more than 49%. To achieve this, every business line president, project director and project management team made a concerted effort to improve performance and make safety personal. It was hands-on, walking the field, talking to craft workers and explaining why safety is so important. Our metrics are more than numbers; they mean something because they represent people's lives.

From an execution standpoint, we expanded our advanced technology and life science offering and project delivery capabilities. Today's market has significant opportunities in terms of quantity and size of project. To serve this growing market, we have enhanced our collaboration with other Fluor segments to gain greater access to our global resources and capabilities. The positive impacts of this approach are evident on our projects and through our increasing backlog.

## How is Urban Solutions driving growth across Fluor's portfolio?

We are seeing substantial growth across the full Urban Solutions portfolio, with year-over-year increases in both backlog and new awards.

**"Whether it's pioneering a mining process, revitalizing infrastructure, advancing pharmaceuticals or driving semiconductor production, Fluor sits at the intersection of the industries that are repositioning our world for the better."**

Grew **new awards** by more than **\$7 billion** and **backlog** by **90.5%** in two years.

In addition, we worked hard to ensure that we have the right people in the right roles to maximize our expertise and leadership capabilities. We have worked to drive growth through excellence in execution by successfully completing projects, like Quellaveco; turning legacy projects around; refocusing in some industries to meet market needs; and following through on our stakeholder commitments.

## What are some recent changes to the Urban Solutions leadership team?

After serving Fluor for the last four decades, I announced my retirement in late 2023. Succeeding me as Group President of Urban Solutions, effective January 2024, is Tony Morgan.

Tony has been with Fluor for more than 30 years and has experience working with clients in multiple industries. I have no doubt that Tony, together with his leadership team and all who work within Urban Solutions, will build upon a very successful 2023 to deliver continuing growth in 2024 and thereafter.

## WHAT WERE A FEW 2023 PROJECT HIGHLIGHTS?

Fluor is providing engineering, procurement and construction management services for the **Lilly project** in Boone County, Indiana. The project includes two pharmaceutical manufacturing facilities for semaglutide products.

BHP Canada selected Fluor to develop Stage 2 of its multi-billion-dollar **Jansen potash project** in Saskatchewan, Canada. Potash is essential in supporting eco-friendly agriculture, and it is critical for food security. Once complete, the Jansen site will be capable of producing approximately 8.5 million tons of potash per year.

We are providing engineering, procurement and construction management services for a **semiconductor facility in Malaysia**. The project celebrated 5 million hours without a days away, restricted or transferred (DART) incident in October 2023.

Together with Anglo American and Mitsubishi, we celebrated the successful completion of their digitalized and groundbreaking **Quellaveco Open-Pit Copper Mine** in Peru.

• [Read more about the Quellaveco Open-Pit Copper Mine project on pages 24-25](#)

# QUELLAVECO OPEN-PIT COPPER MINE

## URBAN SOLUTIONS PROJECT SPOTLIGHT

### PROFILE

**Client:**

Anglo American (majority owner) and Mitsubishi Corporation

**Location:**

Moquegua region of Peru

**Type of Project:**

Grassroots copper concentrator project, including production facility, port expansion and related infrastructure

**Duration:**

Began work in late 2018 and completed in 2023

**Scope of Work:**

Engineering, procurement and construction management services for a 127,500-ton-per-day main processing plant as well as related infrastructure, including a river diversion tunnel, water and power supply, roadways, dams, tunnels, pipelines, overland conveyors and a bridge

Continuing more than a decade-long relationship with Anglo American, Fluor completed construction on the Quellaveco Open-Pit Copper Mine in 2023.


The Quellaveco project site was vast, spreading from the Pacific Ocean to high in the Andes Mountains.

Environmental sensitivity played a large role throughout the project, particularly around ensuring a clean water supply for surrounding communities and wildlife. The team built a dam over the Vizcachas River to separate the clean water from the nearby volcanic water streams used for mine operations. They also diverted the Asana River around the mine through a tunnel and hydraulic channel as well as a series of smaller canals built into the mountainsides to collect rainwater and route it to the diversion channel.

Substantial infrastructure development was required to build the mine's facilities, including access roads, high-voltage power transmission lines and substations, a laydown yard and personnel camps.

Today, Quellaveco is one of the largest and most technologically advanced copper mines in the world, with features such as autonomous drilling and haulage fleets, a remote operations center, the latest digital twin technology, minimal water usage for steady-state operations and a power supply sourced entirely from renewables. It represents Anglo American's technology-driven, sustainability-focused mining blueprint and serves as a benchmark for all future mining projects.

*Fluor and client leaders celebrate the Quellaveco mine startup // Moquegua, Peru*



**"This new facility supplies vital copper for the global energy transition, and despite challenging times and tough logistics, the project was delivered on time and on budget. Projects of this magnitude are why many of us joined Fluor – to literally build a better world."**

**TONY MORGAN**

Group President, Urban Solutions





**30,000,000**  
cubic meters of earth moved

**300,000**  
cubic meters of concrete poured

**20,000**  
tons of structural steel installed

**July 2022**  
first copper produced

Main Quellaveco processing plant // Moquegua, Peru

**PROJECT LOCATION**





**JOE BRENNAN**  
Executive Vice President,  
Chief Financial Officer

# MAINTAINING OUR FINANCIAL DISCIPLINE

## FINANCE

### REPOSITIONED TO DELIVER VALUE: 2023 PERFORMANCE HIGHLIGHTS

- **Improved cash flow in 2023** and anticipate continued improvements in 2024 by securing work with fair and balanced terms.
- Pursuing a **simplified, asset-light business model** focused on our people and the solutions they provide to our clients.
- Gaining **higher quality earnings that enable investment** in our people and accelerated growth.

### FEATURED METRICS

**37%**  
**Debt-to-Capitalization  
Ratio**  
(2022: 39%)

**\$212M**  
**Operating Cash Flow**  
(2022: \$31M)

**\$168M**  
**Net Interest Income**  
(2022: \$35M)

**\$6.7B**  
**Market Capitalization**  
(2022: \$4.9B)



# Q&A

with Joe Brennan, Executive Vice President, Chief Financial Officer

## Name a few ways your team made progress against Fluor's strategic priority to reinforce financial discipline.

We rebuilt and maintained a solid balance sheet with a strong cash position. Notably, we reduced our debt-to-capitalization ratio from 63% in 2020 to 37% at the end of 2023. We are already within the 2024 range we set in 2021 of 20% to 40%.

In August 2023, we issued a convertible debt offering. Demand was five times more than the offering, and we secured debt at 11/8 percent. This is a strong indication that investors believe in our strategy and that we are on the right path to drive a higher valuation from Wall Street. This would not have been possible without the hard work of our Treasury team and our key banking relationships.

In September 2023, we converted our preferred shares. These shares were issued over two years ago to help maintain adequate liquidity when we were in the early stages of execution on several legacy projects. Converting these shares simplifies our capital structure and improves transparency with our investors.

## How have you seen Fluor's 'building a better future' strategy promote positive financial performance over recent years?

Our financial discipline paired with our focus on selectivity and project execution are driving consistent results in our performance. We have reduced exposure to high-risk projects by continuing to pursue fair and balanced terms with our clients. Getting back to a backlog that is majority reimbursable is one way we are delivering on the promise we made to our shareholders.

Over the past few years, a portion of our earnings were either non-cash or the cash generated was used to meet the cash needs of legacy projects. As we complete these legacy projects, it frees up the cash-generating ability of our backlog. This path to higher quality earnings allows us to invest in our people and accelerate growth.

**"Our positive results over the past few years, combined with our expectations for 2024 and beyond, enable us to build more capital and a stronger Fluor. I'm proud of how far we've come and I am excited for the future."**

## What has Fluor done to strengthen investor confidence?

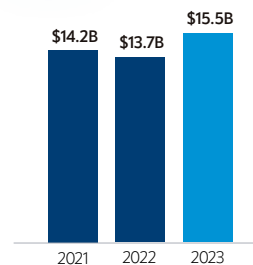
In working toward achieving our strategic priorities, we are able to deleverage our balance sheet and de-risk our backlog as well as drive revenue growth in new markets and improve project execution. Through these successes, we continue to grow trust with our clients and build confidence with our shareholders. As we continue to enhance our reputation through solid project execution, we are confident that our strategy is meeting our stakeholder expectations.

We are actively engaging with top shareholders and the sell-side analyst community to maintain both transparency and understanding of Fluor's business. Our Investor Relations team launched an outreach program in 2023 to diversify our international investor base. International investors tend to be long-term focused, which aligns well with our strategic plan and priorities.

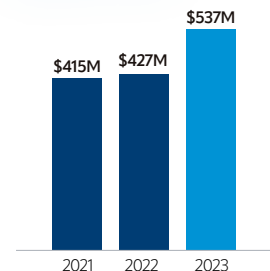
We also spend time educating investors on Fluor's value proposition, specifically the differentiation of our complete offering compared to peers that have pivoted to engineering services only. Clients are increasingly requiring that their contractors provide a full set of services, and Fluor is one of a select few that can deliver this capability.

## 2023 FEATURED FINANCIAL RESULTS

### Revenue



### Segment Profit





**MARK FIELDS**  
Group President,  
Project Execution

# EXECUTING WITH EXCELLENCE

## PROJECT EXECUTION

### REPOSITIONED TO DELIVER VALUE: 2023 PERFORMANCE HIGHLIGHTS

- Performed **130+** **energy transition-related** front-end engineering studies and projects.
- **Elevated the Quality function** within our organization, and 3,000+ employees obtained global certification.
- Demonstrated our continued dedication to quality, with **21 Fluor offices holding ISO 9001 certifications** around the world.

### FEATURED METRICS

**0.29**

**Total case incident rate (TCIR)**

(Self-perform and subcontractor)  
(2022: 0.34)

**0.15**

**Days away, restricted or transferred (DART)**

(Self-perform and subcontractor)  
(2022: 0.19)

**\$10.7B**

**2023 global equipment, material and services commitment**

(U.S. commitment represents \$4.4B of the total)

**33%**

**2023 U.S. spend with small and diverse suppliers and contractors**

(2022: 30%)

# Q&A

with Mark Fields, Group President,  
Project Execution

## What impact has Fluor's technical expertise had on the company's growth over the past year?

Technical excellence is one of Fluor's differentiators, particularly in challenging, front-end, first-of-a-kind engineering work. The energy transition has fueled the need for unprecedented levels of technical expertise to help scale new decarbonization technologies to a commercial level.

Our experts engaged with several clients at the conceptual stages of their energy transition projects, providing valuable insight and execution know-how. Many times, this early technical engagement leads to sole source studies or front-end engineering and design work.

[Read more on page 30](#)

## What is Fluor's approach to project execution?

When clients come to Fluor, safety and quality are non-negotiables. Our safety culture, which we call Safer Together<sup>SM</sup>, is essential to the success of projects and the wellbeing of those who work on them.

We are committed to preventing injuries and illnesses on our sites; our robust programs and procedures help us mitigate the hazards inherent in the work we do. We also look to address the risk factors that make members of our industry vulnerable to mental health issues, including raising awareness about suicide prevention and training front-line supervisors to foster psychologically safe work environments.

Safety and quality go hand-in-hand. We elevated our Quality function to give it an equal standing to safety and to emphasize how much it can influence the outcome of projects.

This year, we made significant upgrades to Fluor's proprietary Quality Requirements System (QRS), which provides proven standards and practices for projects based on business, scope and size. Following these improvements, we have seen an increase in user adoption and an improvement in process optimization. When we provide the dependable, quality project delivery our clients expect and deserve, they are much more likely to trust Fluor with future work.

[Read more on pages 30-31](#)

**"We care deeply about safety and keeping people out of harm's way. We are driven to execute with a quality and efficiency mindset."**

## How is Fluor protecting shareholder interests through project risk management?

Fluor has sophisticated and structured processes to protect our stakeholders, directly tying risk assessment into governance and management reviews.

We have leveraged our decades of project execution experience to develop data-driven solutions, like our Unison<sup>SM</sup> EPC tools that help our teams use data to identify issues before they manifest into project challenges. Fluor's project managers and project controls leaders are using our historical project data to compare live project progress quickly and identify potential risks. These tools are also being used to identify best practices and teach our next generation of project leaders.

Additionally, our Market Dynamics/Spend Analytics (MD/SA<sup>SM</sup>) system tracks supply chain trends and helps our project teams manage risk and optimize project spend.

[Read more on pages 42-43](#)



Teams using EPC design tools // Calgary, Alberta, Canada

## OUR 2023 SAFETY PERFORMANCE

At Fluor, safety drives the actions of every employee at every location, every day. Our Safer Together<sup>SM</sup> culture is fundamental to the way we do business. Our goal is to minimize impacts on the environment and to protect our employees, subcontractors, clients, communities and others who could be affected by our activities.

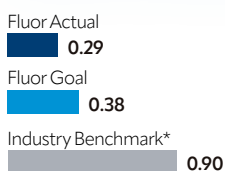
An important component of our Safer Together culture is prioritizing our people. We do this by cultivating the expertise required for continued safety leadership across our regions, business lines and projects. We celebrate the safety achievements, initiatives and results that provide value for our clients. For example, our HSE Awards Program recognizes projects and offices for their results, and the Silver Medallion award honors employees who act heroically to save another's life. In 2023, we awarded 24 Silver Medallions.

We were honored as one of the Construction Industry Institute's (CII's) founding members, as the organization celebrated 40 years of partnership in 2023.

CII Best Practices are now included in Fluor's practices and procedures, and our employees continue to participate in CII's research efforts to advance the construction industry.

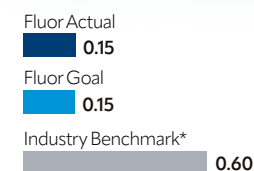
### Total case incident rate (TCIR)

(Self-perform and subcontractor)



### Days away, restricted or transferred (DART)

(Self-perform and subcontractor)

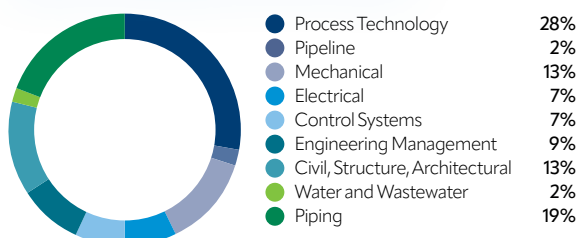


\* U.S. Bureau of Labor Statistics for construction companies with more than 1,000 employees

## ENGINEERING EXCELLENCE

Sharing technical knowledge and developing the next generation of talent is critically important for Fluor's growth. We emphasize technical career development and succession planning, encouraging our subject matter experts and technical Fellows to take advantage of thought leadership opportunities through various trade publications and conferences. Our technical experts also host 'Innovation Builders' webinars, which have engaged over 4,300 industry professionals since their inception in 2020. Fluor has more than 1,100 subject matter experts across the organization, and in the last year, our carbon capture knowledge base alone has expanded to 23 experts across five offices.

### Engineering Subject Matter Experts



## PROJECT RISK MANAGEMENT

Risk levels are assigned to every proposal and project that we undertake. Projects with the highest risk levels are reviewed and monitored regularly by Fluor's senior management. Using risk levels enables us to have the appropriate management review and decide whether a prospect or proposal makes business sense for Fluor.

In addition to the use of risk levels, we have implemented assessment teams for every proposal and project. These teams are comprised of representatives from the Sales, Operations, Legal and Risk groups. Their primary responsibility is to ensure the risk level is set and baseline documents are developed and in place for the proposal and execution teams.

We completed risk management training sessions for all business segment leadership teams in Spring 2023. Training modules are also available for all project management and sales personnel to ensure that we are pursuing contracts with fair and balanced terms.



## GLOBAL QUALITY SUMMIT: LEADING WITH QUALITY

In September 2023, we held Fluor's inaugural Global Quality Summit in Houston, Texas. During the event, global leadership, including office and project quality managers, met to focus on empowering leaders for current and future project execution success.

Members of the quality team from around the globe, as pictured to the right, shared their experiences, challenges and best practices to improve an established foundation of project delivery execution.

The summit also included a workshop to identify solutions to quality challenges that can arise in large-scale, schedule-driven projects. Finally, participants learned about the Lean methodology system we use for construction production control.



Global Quality Summit // Houston, Texas, United States

## STAND UP FOR SUICIDE PREVENTION

Our Safer Together culture is open, authentic and supports both the physical and mental health of our employees. According to U.S. Centers for Disease Control and Prevention, the mining and construction industries have the highest suicide rates.

In September 2023, Fluor's offices around the world participated in the STAND Up for Suicide Prevention Week.

We raised awareness about the suicide crisis in the construction industry to normalize mental health conversations across the organization.

In addition, more than 570 employees have received Question, Persuade, Refer (QPR) Gatekeeper Training for Suicide Prevention and Mental Health First Aid. The course teaches individuals how to recognize the warning signs of suicide and the process for referring a person to get the help they need.



STAND Up for Suicide Prevention // Houston, Texas, United States



STAND Up for Suicide Prevention // New Delhi, India



**STACY DILLOW**  
Executive Vice President,  
Chief Human Resources Officer

# IMPACTING OUR PEOPLE AND COMMUNITIES

## HUMAN RESOURCES AND CORPORATE AFFAIRS

### REPOSITIONED TO DELIVER VALUE: 2023 PERFORMANCE HIGHLIGHTS

- **Focused on talent and employee engagement** in support of Fluor's growth ambitions.
- **Hired nearly 5,000 team members** in 2023, 28% of whom were Fluor rehires.
- Implemented actions to **enhance inclusion and improve belonging** through Fluor's regional Inclusion Councils (ICs) and Employee Resource Groups (ERGs).
- Increased employee **volunteer hours by nearly 50%** through our Fluor Cares® efforts.

### FEATURED METRICS

**2023 Gender  
Diversity of  
Salaried Employees**

**70%**  
Male

**30%**  
Female

**2023 Generational  
Diversity of  
Salaried Employees**

**0.1%**    **14.3%**  
Traditionalists    Boomers

**34.5%**    **40.8%**  
Gen X    Gen Y

**10.3%**  
Gen Z

# Q&A

with **Stacy Dillow, Executive Vice President, Chief Human Resources Officer**

## What are some Human Resources and Corporate Affairs focus areas that support Fluor's resource expansion and growth ambitions?

Having the right people at the right time and in the right place is critical for Fluor's growth. To support client project needs and the company's expansion, we focused on the following three areas: acquiring top talent, retaining and developing valuable contributors and elevating the Fluor story.

### Acquiring Top Talent

We focused on attracting talent through targeted global sourcing and social media campaigns. We participated in career fairs and university campus events in partnership with our ICs and ERGs to maximize reach. We also made several enhancements to our internal hiring processes, utilizing data and technology to deliver more strategic and consistent outcomes. We hired nearly 5,000 people, 28% of whom were former Fluor employees.

### Retaining and Developing Valuable Contributors

We remained dedicated to retaining our current employee base by enhancing their Fluor experience and providing opportunities for each person to learn and grow within – and with – the organization. We hosted several in-person leadership programs to develop our future leaders. We also partnered with major functions across Fluor to formalize more than 20 functional development frameworks designed to provide transparency on career progression.

We held a Talent Summit in October 2023 with general managers from our major offices to discuss challenges and develop strategies to expand our talent base to meet the demands of our business.

### Elevating the Fluor Story

We restructured our Corporate Affairs portfolio to align with market trends and industry best practices. This change enables the team to strengthen Fluor's brand, communications, stakeholder engagement, inclusion and community relations efforts.

The team is rolling out a refreshed brand and modernized corporate identity. Our focus in 2024 is to proudly tell the Fluor story to inspire both internal and external audiences.

**"Fluor is a fantastic place to build a career. We are positioning the company to be the industry employer of choice by further enhancing our employee experience."**

## Name a few ways your team made progress against Fluor's strategic priority to foster a high-performance culture with purpose.

By advancing our inclusion efforts we are intentionally building a workplace where each person feels they belong, has a voice and is valued for who they are and what they contribute. This is not only key to the wellbeing of our people, but it also contributes to the collective success of our global business.

The foundation of our inclusion framework is a series of four pillars: champion an inclusive culture; recruit, develop and retain talent; enhance the employee experience; and improve social progress and impact. With guidance from the Chairman and CEO and the Fluor Management Team, Fluor's Office of Inclusion collaborates with our global offices, 11 IC chapters and five ERGs to progress these pillars.

▶ [Read more on page 34](#)

Additionally, Fluor's community relations team and Fluor Cares are expanding their focus from volunteerism and outreach to purposeful philanthropy and social engagement to support our company purpose of building a better world. In 2023, we saw a nearly 50% increase in employee volunteer hours compared to 2022.



Stacy Dillow hosts a GROW<sup>SM</sup> event // New Delhi, India

**ADVANCING FLUOR'S STRATEGY THROUGH INCLUSION**

At Fluor, we foster an environment that embraces and champions inclusion. Through our dedicated Office of Inclusion team, we are nurturing a workplace where employees feel welcomed and where their contributions are valued. We are promoting an environment where each person at Fluor has what they need to participate fully in the organization, which in turn, promotes more productive, innovative and efficient teams. Together, these teams continually inspire us to evolve, reposition and grow.

By emphasizing inclusion, we make Fluor more attractive to employees and prospective employees, enabling us to better address one of our most pressing business challenges as we broaden our footprint and drive our expansion efforts.

To best align Fluor's inclusion efforts across the organization, our Inclusion Councils (ICs) and Employee Resource Groups (ERGs) champion initiatives alongside the Office of Inclusion. Detailed below, both ICs and ERGs provide an opportunity for employees to play an active role in building a culture where everyone feels valued and heard.

**OUR INCLUSION COUNCILS**

ICs are regional forums supported by executive management. They identify ways to enhance employee experiences and advance inclusivity.

We currently have 11 active IC chapters, which are reflected in the map on the right.



**OUR EMPLOYEE RESOURCE GROUPS**

ERGs are employee-led organizations with an executive sponsor. They are networking forums that support the work of the ICs.

**Graduates Advancing to Professionalism<sup>SM</sup>**

**Established 1995**  
Providing personal and professional development for recent college graduates.



**Emerging Leaders Group**

**Established 2007**  
Accelerating mid-level professional employee development and management interactions.



**Growing Representation & Opportunity for Women**

**Established 2010**  
Collaborating to create opportunities for women and promote gender equality.



**Black Employee Alliance**

**Established 2021**  
Fostering Black employees' professional development and promoting awareness.



**PRIDE**

**Established 2022**  
Cultivating a community for LGBTQIA+ employees and allies.





## BUILDING STRONGER, SUSTAINABLE COMMUNITIES

Fluor and our employees help to build a better world by giving back to the communities where we live and work.

In 2023, Fluor and our employees donated **\$8.2 million** to community initiatives and programs focused on our giving priorities of education; public health and critical human needs; environment; and economic development.



### EDUCATION



Donated **5,000 backpacks** through the Building Futures program.

Volunteered **1,425 hours** and engaged 7,300 students during Engineers Week.



### ENVIRONMENT



Donated **\$148,000** to environmental non-profit organizations.

Removed **8 tons** of litter and planted **29,000 trees** to help replenish forests.



### PUBLIC HEALTH AND CRITICAL HUMAN NEEDS



Provided **706,000 meals** to those in need, globally.

Packed **5,000 meals** for Rise Against Hunger Africa.



### ECONOMIC DEVELOPMENT



Provided **435,000 hours** of life-skill enrichment and training.

The Fluor Military Support Coalition (FMSC) donated **\$125,000 in grants** to support active-duty military, veterans and their families.



**AL COLLINS**  
Group President,  
Corporate Development and Sustainability

# ACHIEVING GROWTH AND SUSTAINABILITY

## CORPORATE DEVELOPMENT AND SUSTAINABILITY

### REPOSITIONED TO DELIVER VALUE: 2023 PERFORMANCE HIGHLIGHTS

- **Increased reimbursable backlog from 63% in 2022 to 76%** by the end of 2023.
- Drove growth and market expansion through the **energy transition, advanced technology and advanced manufacturing markets.**
- **Achieved Net Zero 2023 target**, reducing Scopes 1 and 2 greenhouse gas (GHG) emissions of offices and fleet to net zero.

### FEATURED METRICS

**\$7.0B**

New awards in  
energy transition  
(2022: \$4.7B)

**200+**

Active energy  
transition projects  
(2022: 130+)

**11**

M&A transactions  
concluded or in  
progress since 2020

**60k**

tCO<sub>2</sub>e removed  
through Net Zero  
2023 efforts

# Q&A

with **AI Collins, Group President, Corporate Development and Sustainability**

## How are Fluor's business development and sales teams shifting to pursue contracts with fair and balanced terms?

We have been targeting more reimbursable contracts in our efforts to de-risk our backlog, and I am impressed with the achievements our teams across the business have made so far. Over the past year, we have increased the reimbursable share of our backlog from 63% in 2022 to 76% at the end of 2023. This strong project pipeline provides our stakeholders with more performance certainty over the next few years.

Our success has been realized through focused account management, coupled with strong and deep relationships with our clients. Leveraging our technical expertise early in the process enables us to deliver the results our clients need, while also ensuring we do so under a fair and balanced contract model.

## Where has Fluor had the biggest success leveraging opportunities to extend market reach?

We see significant potential in energy transition, particularly in clean energy, the battery value chain, carbon reduction, hydrogen and renewable fuels and chemicals. Our businesses have repositioned to meet these opportunities, and our market reach has expanded substantially in energy transition projects, with nearly 40% of our 2023 new awards in this space.

• [Read more on pages 18-19 and 39](#)

We are also seeing Fluor's market reach develop and deepen in the advanced manufacturing and advanced technology space, particularly in pharmaceuticals, semiconductor and data centers.

• [Read more on pages 22-23](#)



AI Collins speaks at a town hall meeting // Houston, Texas, United States

**"Our sustainability journey does not end with the achievement of our Net Zero 2023 commitment. Our focus remains on helping our clients reduce their own carbon emissions, leading to a more significant impact."**

## What progress has Fluor made to support clients' environmental commitments and the company's own environmental goals?

As an organization, we are taking steps to reduce our emissions to help protect the environment and strengthen community health. In parallel, governments and companies are increasing their sustainable investments, leading clients to more frequently request our support with making their projects and operations more sustainable.

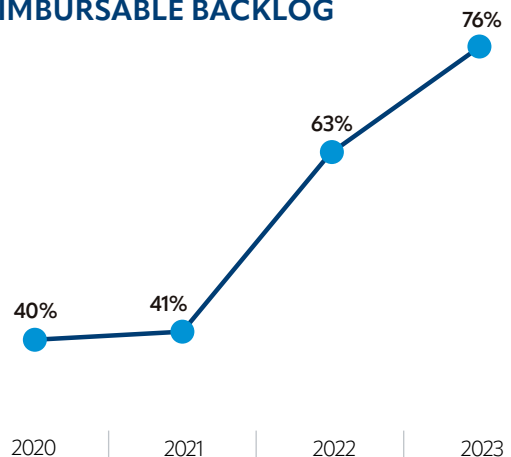
We have had success licensing our carbon capture technology to clients, implementing several renewable fuel production facilities and continue to support carbon-free nuclear energy production.

Our company's environmental efforts, dating back to 2006, illustrate that we share our stakeholders' values, giving Fluor credibility when we offer our expertise to help them solve their own decarbonization and sustainability challenges.

And finally, I am proud that we achieved our Net Zero 2023 target, which was set in early 2021. This significant milestone on our sustainability journey has reduced our Scope 1 and Scope 2 GHG emissions of offices and fleet to net zero.

• [Read more on page 38](#)

## REIMBURSABLE BACKLOG





## ACHIEVING NET ZERO 2023

Fluor's history and legacy are built on sustainable principles. Sustainability is part of our strategic priority to foster a high-performance culture with purpose. It is a key component of our purpose to build a better world and our vision to deliver innovative and sustainable solutions to our stakeholders.

While we have been working to reduce our greenhouse gas emissions since 2006, we accelerated our efforts in 2021, when we announced our Net Zero 2023 target.

**Fluor achieved our Net Zero 2023 commitment, reducing our Scope 1 and Scope 2 GHG emissions of offices and fleet to net zero.**

Scope 1 includes emissions produced directly by Fluor offices and fleet vehicles. Scope 2 covers indirect emissions, such as GHGs from third-party plants that provide electricity to offices. We supplemented our energy reduction actions with the purchase of low- or zero-carbon energy bundled with energy attribute certificates (EACs), as well as the purchase of unbundled EACs and high-quality offset credits. We plan to reduce the use of unbundled EACs and offset credits going forward.

To ensure transparency and accuracy, a third party provided limited assurance for Fluor's net zero achievement during 2023.

This is a significant milestone on Fluor's sustainability journey, and it is one that places Fluor among the first in our industry to achieve net zero.

Our commitment to net zero emissions extends beyond our own operations. More and more frequently, clients are requesting our assistance to make their project sites and operations more sustainable. We can deliver sustainable solutions to clients in multiple ways by applying circularity principles to our projects. Sustainability continues to be recognized as a driver of long-term growth and value for our company.



**Read more about our sustainability journey and Net Zero 2023 assurance at: [fluor.com/about-fluor/approach](https://fluor.com/about-fluor/approach)**



*Electric fleet vehicle // Farnborough, United Kingdom*



*Manila Office Net Zero 2023 Committee // Manila, Philippines*

## BUILDING A SUSTAINABLE FUTURE THROUGH THE ENERGY TRANSITION

As society shifts to low-carbon energy sources, we are proud to play a pivotal role in creating a sustainable future by designing and building solutions that reduce GHG emissions; improve energy efficiency; and deliver cleaner, decarbonized projects.

We are seeing significant growth in our energy transition portfolio. The percentage of energy transition projects in our backlog has grown from 17% in 2022 to 30% in 2023, a number we anticipate will continue to grow in 2024.

Fluor is well positioned with a unified approach across the spectrum of energy transition markets, with notable focus and opportunity in battery chemicals, renewable fuels, carbon capture, hydrogen and nuclear power.

We are committed to navigating the complex balance of meeting global sustainability needs in reliable, affordable ways. We aim to inspire others, and, through innovation and the engagement of our global technical experts, we will continue to enable energy transition projects that create a ripple effect of positive change throughout the industry.



### Renewable Fuels and Chemicals

We deliver renewable and biofuel projects, including bioethanol, biodiesel and sustainable aviation fuel. We help clients produce green chemicals using renewable feedstocks and carbon-free energy while also minimizing waste through capital-efficient chemicals and plastic recycling.



### Hydrogen

Hydrogen is a versatile, clean energy carrier with no carbon emissions. We help clients produce all hydrogen types, including green hydrogen from renewably powered electrolysis or biomass gasification and blue hydrogen using carbon capture. We also deliver storage and transportation solutions that address hydrogen's unique considerations.



### Clean Power and Energy Storage

Carbon-free, clean-energy solutions including nuclear and renewable energy are vital to achieving net zero targets. We design and integrate a variety of clean-power sources and energy storage solutions for clients' facilities.



### Battery Value Chain

As the global demand for batteries increases, so does the need to produce them sustainably. Spanning every link of the battery value chain, our expertise extends from raw material mining and battery chemical processing to manufacturing and recycling. Our work is expediting the expansion of battery technologies through safe, efficient systems.



### Carbon Reduction

With decades of experience in carbon capture, electrification and energy efficiency projects, we are helping to lead the energy transition and reduce GHG emissions for our clients and our own decarbonization initiatives.



Meishan, Sichuan Province, China

## ALBEMARLE MEISHAN PROJECT

Fluor provided engineering, procurement and construction management services for the Albemarle Meishan Project, which produces 50,000 tons of lithium hydroxide per year, an essential precursor material for high-performance, lithium-ion batteries for electric vehicles.

The project, which achieved mechanical completion in 2023, is one of Fluor's major energy transition projects. Construction was completed safely, with the team achieving 13 million work hours without a lost-time incident in November 2023.



**JOHN REYNOLDS**  
Executive Vice President,  
Chief Legal Officer and Secretary

# ENSURING GOOD GOVERNANCE

## LEGAL, COMPLIANCE AND ETHICS

### REPOSITIONED TO DELIVER VALUE: 2023 PERFORMANCE HIGHLIGHTS

- Launched the **Compliance & Ethics Integrity Champions program** to supplement our rigorous approach to compliance and ethics and further encourage a 'speak up' culture.
- Worked with pursuit teams to ensure **balanced risk-reward positions** and convert backlog into more reimbursable work.
- Supported the Board's Governance Committee with **enterprise risk management reviews** examining top risks to the company.

### FEATURED METRICS

**100%**

**Compliance certification\***  
(2022: 100%)

*\* Percentage of salaried employees*

**2,722**

**Managers trained to handle compliance concerns**

**24,500**

**Compliance-related courses completed**  
(2022: 23,900)

**90**

**Employees trained on investigative procedures**



# Q&A

with **John Reynolds, Executive Vice President, Chief Legal Officer and Secretary**

## What does building a better world mean to you?

Building a better world is using our collective expertise to provide solutions that meet our clients' needs while also making a positive impact on the local community. It means providing for the greater good of society in an ethical way, whether it is through a project that develops the energy solutions needed to sustain daily life or the construction of a new roadway that makes commuting safer and more efficient. I think it is critically important that we leave the communities where we work better than how we found them.

## Can you share more about the evolution of compliance and ethics at Fluor, and the importance of it?

Our compliance and ethics program is multifaceted with involvement across the organization and has been consistently evolving as we move forward. We started at the policy level before turning our attention to further synthesizing the program into our culture.

In early 2023, we implemented a microsite for our Code of Business Conduct & Ethics, allowing for easier access to related policies. We took another substantial step forward when we launched our Compliance & Ethics Integrity Champions program. The program will continue to develop in 2024 based on learnings from this past year, with plans to add additional locations.

🔗 [Read more about our Code of Business Conduct & Ethics at: \*\*ourcode.fluor.com\*\*](#)

**“Our work focuses on getting projects done in the right way. We are committed to acting with integrity and enabling the business to make the right decisions for our stakeholders.”**

Our goal is for employees at all levels to look at issues from a compliance basis and act accordingly. Our intent is that compliance becomes integrated into the organization and woven into the company's culture. While we are on the right path to achieve this goal, we are continuously looking for opportunities to further advance our program.

Fluor's dedication to integrity has been recognized 14 times by Ethisphere's World's Most Ethical Companies® list since its inception in 2007. We are dedicated to earning this prestigious recognition in the coming years. Fluor's repositioned organization with an enhanced focus on our core value of integrity and 'building a better future' strategy will help us get there.

## What does corporate governance look like at Fluor, and how do you interface with the Board of Directors to ensure their guidance is applied?

Fluor's corporate governance practices start with the Board of Directors and aim to promote fairness, transparency, accountability and responsibility to provide long-term benefit to our stakeholders. With committees dedicated to both corporate governance and risk management, our Board of Directors is involved with all aspects of our business.

🔗 [Read more on pages 10-11](#)

## ENCOURAGING A 'SPEAK UP' CULTURE

Integrity, one of our core values, is part of who we are. We work hard to apply trust, accountability and fairness to our interactions, both internally and externally.

Keeping this value at the forefront, we launched the Compliance & Ethics Integrity Champions program in 2023 with five pilot locations in the United States, China, India, the Philippines and Poland, representing a cross-section of Fluor's global footprint.

Through the program, our integrity champions extend the reach of the compliance and ethics team. These local advocates help ensure we meet and sustain our commitment to keep the company safe by providing resources and guidance to their colleagues.



Encouraging a 'speak up' culture // Irving, Texas, United States



**ROBERT TAYLOR**  
Executive Vice President,  
Chief Information Officer

# LEVERAGING DATA AND TECHNOLOGY

## INFORMATION TECHNOLOGY

### REPOSITIONED TO DELIVER VALUE: 2023 PERFORMANCE HIGHLIGHTS

- Implemented **cloud security monitoring**.
- Deployed several security enhancements to provide greater **resiliency and cyber risk mitigation**.
- Enabled the business to provide **greater cost and schedule certainty** for projects and clients through development and deployment of artificial intelligence (AI)-enabled systems.
- Developed a new project portal that will drive **consistency in execution and security across projects**.

### FEATURED METRICS

**334**  
Offices and sites  
supported globally

**60**  
AI-enabled systems

**20+**  
Years of historical data  
for predictive analysis

**550+**  
Users accessing supply  
chain analytics daily

# Q&A

with **Robert Taylor, Executive Vice President, Chief Information Officer**

## What does today's AI and digitalization landscape mean for the engineering, procurement and construction (EPC) industry and Fluor?

Fluor has been an early adopter of AI technology. We first began developing an AI capability in 2015 and went public with an announcement of our partnership with IBM Watson in 2018.

We started with data standardization and implementation of a suite of integrated project controls and estimating applications to streamline performance, optimize project execution and drive cost and schedule certainty.

Our tools and platforms were built to enhance project execution, to provide predictive analytics, monitor project health and identify risks. We have been developing the capabilities of these systems over the last five years. Today, we have 20 years of historical data, over 200 projects completed and 50+ current projects being analyzed as well as 550+ daily users accessing supply chain analytics.

## When it comes to cyber security, how is Fluor protecting its stakeholders?

Fluor operates in four of the five most targeted industries for data theft and cyber attacks. It is incredibly important for us to protect our client and employee data against cyber threats both from a safety and a regulatory standpoint.

To mitigate some of these risks, we are deploying new data loss prevention technology, advanced password filtering and additional tools to help us resolve security vulnerabilities more rapidly. These focus areas enabled us to achieve two new security certifications in 2023 and make progress toward completion of ISO 27001 in early 2024, which is required by clients in certain industries.

We are also proactively training our engineers on the latest cyber threats and mitigations in industrial control systems design. In doing so, we build cyber security into our projects. This helps clients maintain site operations and ensures the physical safety of on-site personnel, the public and the environment against cyber attacks.

We have a leading role working alongside our clients to design and implement security controls and programs to ensure our clients' data and intellectual property (IP), as well as Fluor's IP and employee data, remain protected and secure.

## "Artificial intelligence has reset the information technology landscape. Our investment in AI platforms has reduced costs and driven better project management and control."

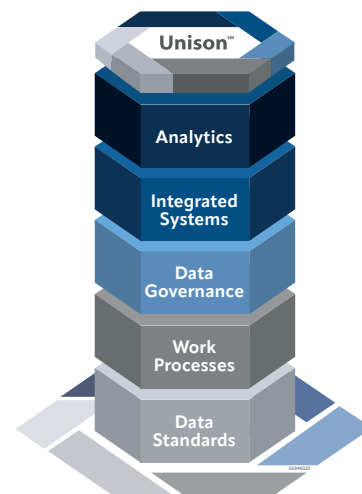
We are releasing a project portal in 2024 that introduces a standard project operating platform, integrating our latest applications, project dashboards, supplier information and related documentation. It will also drive consistency and security across projects, with role authentication models aligned to employees, joint venture partners, suppliers and clients.

## What does building a better world mean to you?

I have the privilege to serve as the Executive Chair of the global Fluor Cares® program, which has evolved from a basic annual giving campaign in the United States and Canada to a global giving and volunteering platform. The platform allows users to choose from more than 2 million charities in 190 countries. Local societal challenges are supported with empathy and the desire by Fluor employees to make a real difference and, in turn, make the world a better place.

## DATA-CENTRIC EXECUTION

Fluor's focus on data-centric execution, which we call Unison<sup>SM</sup>, forms the foundation of our ability to leverage AI-enabled platforms for project execution and supply chain analytics. As illustrated in the graphic below, these capabilities are underpinned by data standards and standardized work processes.





# CONTACTING US

## COMPANY INFORMATION

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- ▶ Should you have any questions or want to request a hard copy of the report, please email: [corporate.reporting@fluor.com](mailto:corporate.reporting@fluor.com)

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