

Corporate Social Responsibility

At Lamprell, we recognise the value of fulfilling our responsibilities as a corporate citizen, believing that by doing so we will bring benefits to all our stakeholders. Having been based in Dubai since 1977, the Company is rooted in a community within which it has worked for over 30 years and it has both benefited from, and been a contributor to, that community's development during that period. As a result of both this history and the international nature of our business, we believe we are fortunate to have a local business with a genuinely global perspective, and a rich variety of cultures and backgrounds from which to draw expertise and experience.

Our principles

Our commitment to act as a responsible corporate player has long been reflected throughout the entire organisation, and the Group has a formalised set of policies that state the principles by which we seek to manage our operational activities, work with our staff and host communities, and minimise our impact on the environment. Our business, the provision of construction services to the oil and gas and renewables industry, requires the highest standards of engineering skill and Health, Safety and Environment awareness. Our fundamental principle is to carry out these activities in a way that delivers the best possible product to our customers whilst minimising risks and maximising rewards to our wider stakeholders. Accordingly, when we make all our investment and operational decisions, we take account of the social and environmental impacts that they may have, and minimising these is a central part of our decision-making process. As a publicly-listed company our aim is to ensure that our reporting meets all the requisite levels of scrutiny for a business of our size and areas of activity. Maintaining our reputation by aligning our commercial goals with our ethical standards is an essential part of achieving this aim.

Social initiatives

In 2011, we continued to work closely with local communities, business partners and regulatory authorities to make a positive difference within the localities where we operate. In particular, Lamprell is aware of the cultural mix of our employees with some 80% originating from India. Don Bosco Snehalaya is a project focused on the street children and youth, living in the city of Vadodara. With Lamprell's support, the basic objective of Snehalaya is to provide shelter to the young living on the railway platforms and in the streets, and other vulnerable children who are in need of care and protection. Snehalaya provides food, clothes, medicines, recreational facilities, counseling, job placement, contact with their families, and training in trades according to their capacities, and individual circumstances. They are given opportunities to interact with the public, to express their potential and their talents. This helps them to develop their self confidence and the awareness that they too can contribute something to society. Ultimately, Snehalaya aims at enabling these street children to return to a decent life within mainstream society.

Charity

Each year we donate a cheque to a worthy establishment, with the recipients this year being Medécins Sans Frontières ("MSF").

People

Attracting, developing and retaining talented staff is a major challenge for the oil and gas industry and at Lamprell we are fortunate to have high quality people across the whole range of our services. It is therefore vital for our continued success that we encourage our staff's personal development and career progression, and treat our people with respect, maturity and openness. We also invest significantly in building their skill sets. We are confident that this approach is the one most likely to enable us to achieve our business objectives by providing quality, continuity and growth. Our policy is to ensure equal opportunity in career development, promotion, training and reward for all of our employees. We aim to ensure that all our employees understand our business goals and our business principles through ongoing communications programmes. With a diverse range of nationalities working within the group, we also respect and recognise the value of different cultures.

Trade staff accommodation

Due to the rising cost and shortage of residential accommodation in the UAE, and to comply with local laws, Lamprell decided to provide purpose built community accommodation for its core trade workforce. This accommodation provides a secure and clean environment for our employees. These facilities provide all amenities including an in-house laundry service, restaurants, cinema, recreational equipment, communal rooms with full access to internet, satellite TV and a medical centre. Lamprell provides transport between the accommodation facilities and its workplaces with additional scheduled transport provided for airport and shopping trips etc.

Medical and life insurance

In addition to the in-house medical team, Lamprell provides private medical cover and life insurance for its workforce enabling them to take advantage of locally available high quality medical facilities, whilst giving peace of mind to family dependants.

Health, safety, environment and security summary ("HSES")

Given the nature and demands of our business, ensuring a high level of performance in health, safety, environment and security is absolutely essential, and Lamprell has a strong track record in these areas. We are very conscious though that there is no room for complacency in HSES and we seek to continually improve our performance.

Health and safety

Internal measures for health and safety performance are very important to ensure focus on this area of our business. Our objective for 2011 was to maintain and improve the developed

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"safety culture" within the organisation, with all staff encouraged to report any activities they perceive as not conforming to best practice through the incentive linked in-house Safety Observation Audit Programme, so that any areas of oversight can be rectified and brought up to the highest possible standard as quickly as possible.

A contributory factor again this year was the continued use of the centralised reporting system for leading indicators under a Total Recordable Incident Ratio. This ratio facilitates the analysis of First Aid Cases, Medical Treatment Cases and Restricted Work Cases as well as Lost Time Incidents ("LTI") and allows management to identify trends and take the appropriate action. As a result of this approach, we have maintained a strong track record in the area of safety. Lamprell has established a safety record which is exceptional for the oil and gas construction industry. In line with our standardise and centralise programme, the Lamprell Group of companies achieved an overall performance LTI Frequency Rate of 0.27. However, whilst our own measurement of our safety performance is essential, we also recognise the importance of external analysis of our methods and have achieved relevant accreditation by third parties of our capabilities. In 2011 Lamprell maintained the accreditation with the management system certificate ISO 14001: 2004 and the updated Occupational, Health and Safety Assessment Series, OHSAS 18001: 2007.

Environment

Across all our activities we seek to minimise the mark we leave on the sites at which we work. A good example is at Hamriyah where, as we expand our existing facility, we are seeking ways to minimise our impact on the local environment and increase our energy efficiency and recycling capability. By delivering the best possible product to our customers and utilising the most up to date technologies, we also have a direct impact on the environmental performance of the rigs we refurbish by improving their systems and ensuring they conform to all relevant international legislation. Our policy is to strive to achieve continual improvement in environmental performance. We are committed to preventing pollution and reducing the overall impact of our operations on the environment. In addition, we maintain an internal management structure for the management of environmental issues which includes clearly defined responsibilities for environmental management capable of delivering this policy commitment. At all times Lamprell aims to comply with, and where possible exceed, applicable legal and other requirements relating to the organisation. We are also committed to monitoring and reporting of our environmental performance, setting objectives and targets for improvement and at all times provide appropriate training and awareness programmes for our staff.

Waste management policy

All businesses affect the environment through the use of resources and discharge of waste products. Our Waste Management Policy is therefore consistent with our broader Environmental Policy, which includes a stated commitment to minimise the environmental impacts of our operations and prevent pollution. Our aim is to limit our discharge of waste material wherever we can and the policy lays out how we seek to achieve this goal.

Security

During 2011, Lamprell maintained a high level of internal and external security controls of its assets on behalf of all stakeholders. These controls were in the form of security procedures, a corporate wide security access system and continued physical security presence.

Quality

Lamprell aims to achieve maximum customer satisfaction and quality of product. In the pursuit of this objective the Company will comply with all national and international standards and requirements with respect to quality assurance. Lamprell will also strive to optimise resources and reduce wastage in the development of our facilities and training of personnel. Whilst aiming to meet these objectives the Company ensures cost effective jobs and services, and delivery on time. Lamprell meets these objectives by understanding customer requirements, working together with our customers to meet those requirements, understanding our processes well and monitoring and measuring our activities. Ultimately the Company strives continually to improve the Quality Management Systems and operations.