



HSE focus in all we do

Health, Safety, Environment

## From the President & CEO



FMC Technologies' goal is to be the leading provider of technology solutions and services to the Energy Industry. Our progress towards achieving that goal is measured not only in the dollars of revenue we earn or in the quality and innovation of the products and services we

provide, but also in how we protect the health and safety of our employees, reduce the impact of our operations on the environment and support our communities.

Health, safety and environmental (HSE) excellence has always been a core value of FMC Technologies. Over the past several years, our results clearly demonstrate our ability to continue to deliver a strong HSE performance, even in periods of significant change. This includes global expansion of our businesses, complex HSE challenges related to construction of new facilities and global frame agreements with our customers, and higher levels of temporary and full-time employees. These changes have also affected the way we do business. Whereas our Company once centered on manufacturing, the focus has now broadened to encompass service, globalization of our processes, outsourcing and technology. Those factors, coupled with increasing demand from our customers, have resulted in more functions that must have a good understanding of HSE risks and liabilities.

In 2008, we established a number of long-term objectives. This report summarizes the progress we made in 2010 including another year of strong HSE performance. Our incident rates for recordable and high potential (Red) incidents showed improvement over our 2009 results. However, despite these accomplishments, we experienced two very serious incidents. One involved an automobile accident and the other involved the loss of an employee's eyesight while working on equipment. Both incidents occurred in the field. These incidents, and the previously mentioned changes to our business focus, underscore the importance of always having an HSE focus in all we do. As a result, we added the following to our program in 2011:

- An action plan for the global alignment of our key HSE processes and programs
- A focus on Field Service HSE, including the development of a global standard to manage offsite work, establishment of a task force to audit sites and address material handling risks
- The development of a sustainability strategy
- Continued emphasis on our journey management process

As we continue to focus on these long-term goals, I am confident that we will accomplish our objectives and meet the challenges of the future as we strive to eliminate all incidents and maintain HSE excellence.

A handwritten signature in black ink that reads "John T. Grempe". The signature is written in a cursive, slightly stylized font.

John T. Grempe  
President and CEO  
FMC Technologies, Inc.

## HSE focus in all we do

### Our Policy

FMC Technologies accepts our responsibility to protect the environment and the health and safety of our employees, their families and the public. HSE is a core value of the corporation and will be managed as an integral part of our business to benefit employees, customers, neighbors and shareholders. All FMC Technologies employees are responsible for ensuring that we achieve continuous and measurable improvement.

### We will

- conduct business in a manner that protects public and occupational health, employee safety and the environment.
- strive to eliminate all accidents and environmental incidents.
- make health, safety and environmental considerations a priority in manufacturing existing products and planning for new products, facilities and processes.
- comply with all health, safety and environmental laws and regulations.
- reduce emissions and waste and use energy and natural resources efficiently and intelligently.
- work with our suppliers, customers, contractors and partners to promote responsible management of products and processes.
- encourage constructive communication with our suppliers, customers, neighbors and shareholders regarding health, safety and environmental issues.

## Our Plan of Action

This policy will be enabled through Corporate standards guided by our HSE Management System, and appropriate business or site policies and management plans that establish objectives and targets. Implementation will be achieved through management and organizational commitment, allocation of sufficient human and capital resources and rigorous measurement and corrective systems.

### HSE Management System

- Management Commitment & Direction
- Employee Roles & Responsibilities
- Hazard Control & Risk Management
- Documents, Records & Regulatory Compliance
- Education & Training
- HSE Communication
- Rules & Procedures
- Emergency Planning & Crisis Management
- Health & Medical Programs
- Contractor & Vendor Management
- Product Safety
- Security & Travel Safety
- Audits & Inspections
- Incident Investigation & Reporting
- Pressure Testing
- Process Assessment & Improvement



Steven W. Ward  
Corporate Director  
Health, Safety and Environment  
FMC Technologies, Inc.

## Corporate Profile

FMC Technologies, Inc. (NYSE: FTI) is a diversified, global corporation and a leader within the oil and gas equipment and services industry. We design, manufacture and service innovative technologies and unique solutions that allow our customers to succeed in solving their most difficult business challenges. FMC Technologies maintains a persistent focus on health, safety and the environment, and our 27 production facilities in 16 countries are committed to the communities in which they operate. Our industry experience, management depth, high ethical standards, strong customer relationships and global presence provide the foundation for our strong performance.

### Our Promise

To understand our customers' business and develop technology and service solutions that help them overcome their most difficult challenges.

*"We put you first. And keep you ahead."*

We are committed to delivering value to our customers through partnership and innovation. As a global organization, we will continue to set the highest standards of reliability, efficiency and performance in every business segment and in every location where we operate. We have a total of 93 manufacturing and service sites that are included in our HSE audit program. Of these, 44 sites are located within the United States, and the remaining 49 are international sites located in Europe, Asia-Pacific, Latin America, Canada, Africa and the Middle East.

### Financial Highlights

For year ended December 31, 2010		
Total revenue*	\$	4,125.6
Income from continuing operations*	\$	375.9
Diluted earnings per share from continuing operations	\$	3.06
Common stock price range	\$	47.60 - 89.12
Number of employees		11,500

A strong Health, Safety and Environmental (HSE) culture is essential to the success of our Company. FMC Technologies has established a strong foundation for HSE that includes a relentless pursuit for protecting our employees, customers, the communities where we do business and the environment. HSE will remain an even more important issue as we prepare to meet the challenges of the future.

## Our Long-Term Goals

To maintain an HSE culture that reflects the highest ethical standards and values HSE as a priority in everything we do.

To achieve an injury-free workplace.

To ensure that incidents with the highest potential for serious consequences are identified and actions are taken to prevent recurrence.

To prevent damage to the environment, preserve our resources and mitigate environmental risks.

## Our Plan of Action

In addition to specific HSE objectives, executive management will establish an HSE agenda for each visit.

A relevant HSE topic will be reviewed at the beginning of all major meetings. We refer to this as an HSE Moment.

Conduct employee perception surveys as needed to gain and receive more detailed information to understand safety culture and identify areas for improvement.

Total Recordable Incident Rates (TRIR) and Lost Workday Incident Rates (LWIR) will be maintained at levels better than the top oil and gas services companies.

Sites are required to achieve and maintain compliance at 90% or greater with our HSE Management System.

Formal behavioral observation programs will be in place at all sites to identify and prevent at-risk behavior that can lead to incidents.

High-risk activity assessments will be completed for all sites.

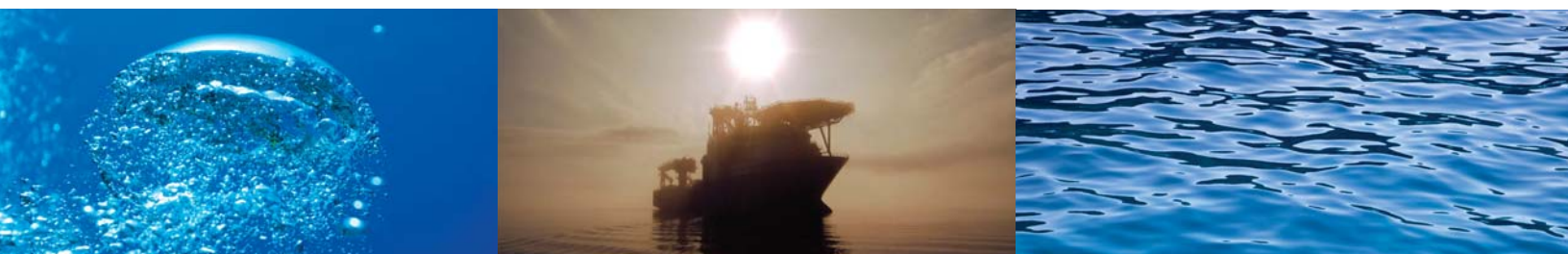
All incidents (recordable, lost workday, near-miss, first aid, environmental) will be classified based on a risk matrix.

Incidents falling in the red area of the matrix will be thoroughly investigated and formal action plans established to prevent recurrence.

All HSE alerts will be issued to all sites for red incidents.

An environmental survey was conducted to measure energy usage, CO<sub>2</sub> emissions, hazardous waste and recycling.

Facilities were asked to establish appropriate environmental project(s) for one of the above focus areas.



# What We Accomplished

FMC Technologies executives conducted HSE activities during visits to sites in 2010. Activities included site tours, reviews of audit recommendations, environmental program reviews and pressure test activities.

HSE Moments are now being conducted in 2010 to focus on our overall safety performance. During the stand-down, a 6 question perception survey was conducted. The results are being incorporated into the 2011 HSE site action plans.

A global stand-down was conducted in 2010 to focus on our overall safety performance. During the stand-down a 6 question perception survey was conducted. The results are being incorporated into the 2011 HSE site action plans.

Incident rates for 2010 were 0.49 for TRIR and 0.08 for LWIR. This compares to an average of 0.71 for TRIR and 0.23 for LWIR for the oil and gas services companies, which we use as our safety benchmark.

In 2010 the Corporate HSE Management System Audit program was updated to reflect changes made to the Corporate HSE Management System. Changes included the addition of a new management system element for pressure testing and modifications to the other elements to address new procedures and global initiatives. Despite the changes, the 90% compliance target is still in effect.

In 2011, revisions were made to the internal behavioral-based safety observation program START. The changes were reviewed during our Global HSE Council Meeting and will be used by sites to train employees to identify and address behaviors. Implementation continues to be strong in our manufacturing sites, but still lags in the field service locations.

The HSE Golden Rules were initiated in 2008. They include 12 areas that represent the highest risk potential for employees. Significant progress was made in the implementation of the rules, especially at the larger sites. Additionally a new Hazard Identification program was developed. The program will be useful for conducting Job Safety Analysis (JSA), risk assessments and site inspections. Employees will receive training on the process during 2011 and early 2012.

In 2010 we continued using our 5X5 risk matrix to classify all incidents. Incidents falling into the red shaded area of the matrix require an alert to be issued and a formal root cause analysis investigation conducted.

During 2010, there were 20 red incidents and alerts reported which is equivalent to a red incident rate in 2010 of 0.17. Since the implementation of this initiative, several improvements have been made including:

- Improvement in pressure testing safety – (global committee, global standard, training and competency program, improved preventative maintenance and inspection programs, new test cell designs etc.)
- The development of HSE Golden Rules
- A new Journey Management standard
- A global hand and finger incident reduction initiative
- An action plan to globally align our HSE systems and processes
- A reduction in recordable and lost time incident rates
- The establishment of new metrics for Red and Pressure Release incidents

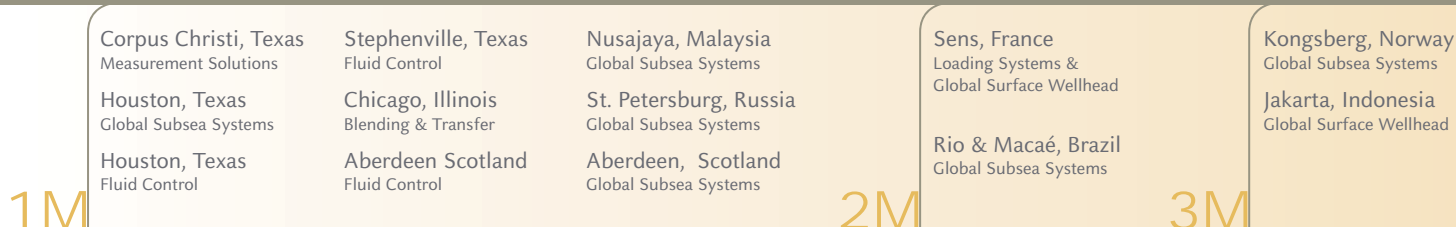
A formal HSE and Quality Alert internal site was established to record and communicate alerts to all sites. An Alert Approval Board (AAB), comprised of Senior HSE, Quality and Engineering Resources, was established to monitor the process. In 2011, the reporting and communication of HSE Alerts was expanded to include not only Red incidents, but also incidents that are classified as Yellow.

Environmental data has been collected for 2010 and compared to 2008 and 2009 results. Improvement was made in reducing energy usage and total waste (hazardous and non-hazardous).

Sites continue to complete projects that address energy usage, recycling and waste reduction. During 2011, a sub-committee was established to develop a Corporate Sustainability Strategy for FMC Technologies. The strategy will be used to expand our environmental activities and metrics during the next several years.

## 2010 Milestones

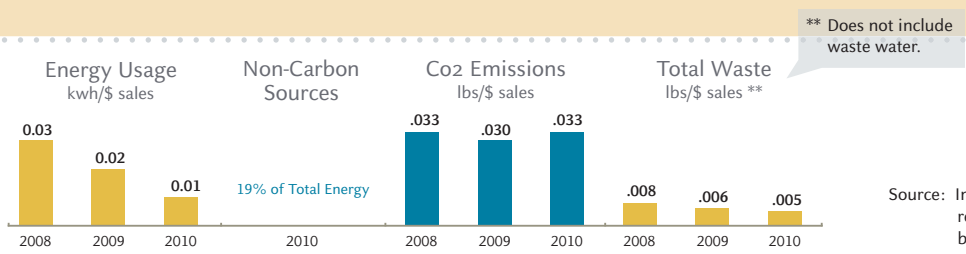
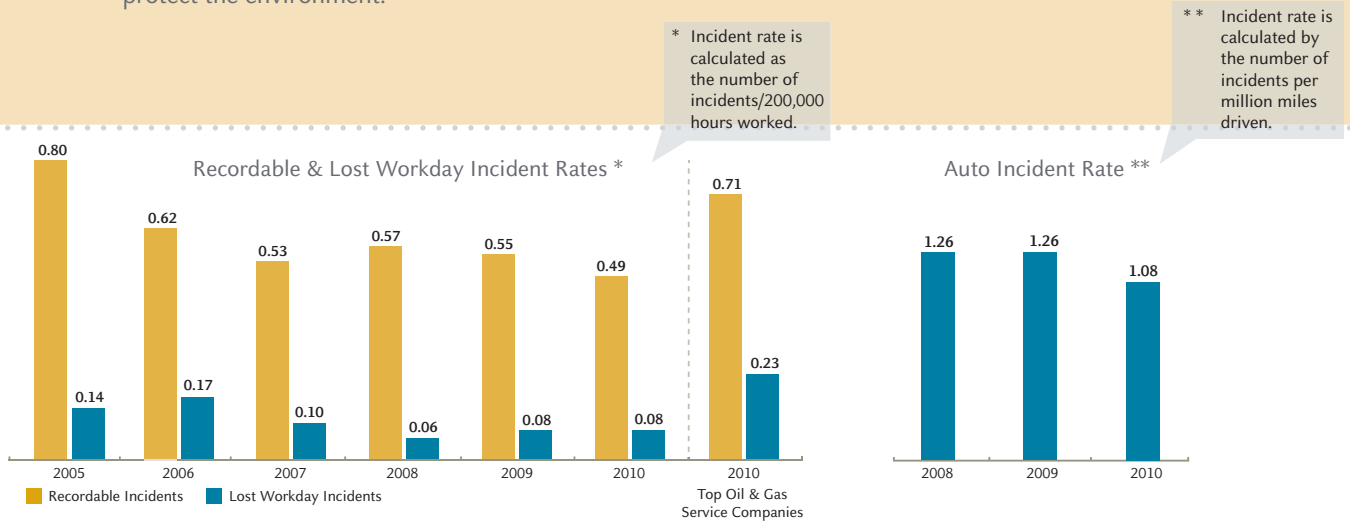
## Site milestones based on millions of hours worked without a lost-time incident



# Our Performance

## Health, Safety & Environment

We establish standards to operate in the safest manner possible, promote employee health and protect the environment.



Source: Information based on internal reporting and has not been verified by a third party.

<p>Integrated Service International Sites Fluid Control</p> <p>4M</p>	<p>Chalfont, Pennsylvania Material Handling Solutions</p> <p>5M</p>	<p>Tupelo, Mississippi Material Handling Solutions</p> <p>6M</p>	<p>Singapore Global Subsea Systems &amp; Global Surface Wellhead</p> <p>7M</p>	<p>8M</p>
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**FMC** Technologies

**We put you first.  
And keep you ahead.**

[www.fmctechnologies.com](http://www.fmctechnologies.com)

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