

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR FINANCIAL YEAR 1 APRIL 2020 to 31 MARCH 2021

1. ABOUT THIS STATEMENT

This statement is published under section 54(1) of the Modern Slavery Act 2015 by Laing O'Rourke plc and its relevant subsidiaries [1] ('**Laing O'Rourke**'). The statement sets out the steps taken to prevent modern slavery and human trafficking in Laing O'Rourke's UK operations and supply chain.

2. STRUCTURE AND OPERATIONS

Laing O'Rourke is a privately owned international engineering and construction company with two principal hubs of operation in Europe (including the Middle East) and Australia. Through its operations around the world, across building and infrastructure sectors, Laing O'Rourke's 2025 mission will see the business secure its position as the recognised leader for innovation and excellence in the construction industry.

With international operations spanning the United Kingdom, Middle East and Australia, Laing O'Rourke remains vigilant to the risk of modern slavery and human trafficking and recognises that in certain markets the number of workers that are trafficked, exploited and forced to work in the construction industry is rising.

More information about Laing O'Rourke can be found [here](#).

3. SUPPLY CHAIN

Building a strong supply chain

Our suppliers play a vital role in supporting our business activities, and our reputation depends on the quality of the services they deliver. For this reason, we work closely with our trading partners to ensure they share our values.

Many of the businesses that contract with Laing O'Rourke source elements of their offerings via extended overseas supply chains. The diversity and complexity of our projects means that the scope and nature of the extended supply chains vary widely.

Our supplier relationships are founded on collaboration and respect. We require our suppliers to comply with all applicable regulations and legislation relating to working hours, wages, welfare and human rights.

We operate a category management approach to our procurement activities for strategic trades, allowing us to form deeper relationships with key vendors throughout our supply chain. Such an approach drives closer collaboration and supports closer alignment to our corporate goals and values.

We also believe in supporting our suppliers through training and knowledge-sharing and hold regular forums to communicate clear expectations.

As we develop our supply chain mapping over the next reporting period, we will build a more detailed understanding of the location of origin of pre-manufactured goods, components and commodities.

4. RISKS OF MODERN SLAVERY IN PRACTICES IN OUR OPERATIONS AND SUPPLY CHAIN

Modern slavery risks are often intersecting and can be divided into the following four key factors.

Vulnerable populations

Construction sites can include many separate companies all working concurrently and all with their own supply chains, which can include low-skilled workers who are especially vulnerable to modern slavery practices. Construction contracts are often let in a competitive procurement model where the lowest price is rewarded. There is a risk for Laing O'Rourke as many of our sites are large with numerous contractors where workers may be required on short-term contracts, making it extremely difficult to review each worker to ensure they are not being exploited.

Overseas workers in industries that produce commodities that are used specifically in construction – for example, cement, aggregates, bricks and steel – are often migrant populations, low paid and low skilled, so their risk to modern slavery is increased. There is additional risk in technology where the raw materials required within items such as computers, phones and engineering instruments are manufactured in Asia and Southeast Asia. China and Malaysia are seen as being particularly high risk of forced labour, with large numbers of workers being migrant workers. Commodities used in the technology, such as tungsten, tin and gold, have also been reported to be sourced from the Democratic Republic of Congo, where it is produced using forced labour. Similarly construction site clothing has the same risks of being produced by vulnerable workers.

High-risk categories

High-risk categories link to the 'Vulnerable populations' section above. Laing O'Rourke uses procurement models for the procurement of high-risk subcontractors such as labour hire, cleaning and security that, if not monitored closely, reward low price through competitive tendering, increasing the risk. By necessity raw materials that originate from high-risk areas of the world are required on construction projects. This means that increased scrutiny needs to be undertaken when conducting business with suppliers of these raw materials.

High-risk business models

Laing O'Rourke is potentially susceptible to high-risk business models, as previously described contracts are let on projects for labour hire. This can include low-paid and low-skilled trades where potentially high-risk workers often from migrant populations present a risk of modern slavery. In addition, procurement of subcontracts can be influenced by the lowest price. Laing O'Rourke endeavours to focus on best value by taking the entire package into account, not just price, but where subcontractors are in competition with each other over price the risk is that vulnerable workers can be exploited.

High-risk geographies

Long supply chains in construction mean that goods and services secured appropriately may in fact present a high risk of modern slavery. Any product or service that originates, is manufactured or contains raw materials from areas of the world where modern slavery practices are known present a risk to Laing O'Rourke. Although the vast majority of our business is conducted in the UK, it is important we cascade our modern slavery standards to our wider supply chain.

Over the next few years, as we develop a deeper understanding of our supply chain across these key risk areas, we will be able to increase our knowledge of the risks that lie in the supply chains of our suppliers. Having a clear picture of the nature and location of the source of the goods and services provided to us will enable us to engage further and work to mitigate identified risks.

5. COVID 19

The COVID-19 global pandemic began to impact businesses and the community at the end of the reporting period for this statement. Many of the risks of modern slavery identified above may be exacerbated in the context of a pandemic; for example, low-paid and low-skilled workers in cleaning and security roles, migrant labour on construction sites and workers engaged as casuals or in other insecure work models can become increasingly vulnerable in the context of shutdowns or declining availability of work. The demand for increasing amounts of cleaning and increased hygiene to be provided on an urgent basis also brings with it risks of exploitation of workers in the supply chain.

The health, safety and wellbeing of all our people and stakeholders will always be the priority. Laing O'Rourke immediately invoked a crisis management process to consider and mitigate the impact and ensure business continuity. This resulted in a dramatic shift in the way we go to work. Construction sites have implemented social distancing policies, split shifts and many staff work from home where possible. In our offices, staff numbers have been carefully managed, and staff have worked from home, socially distanced while in the office and utilised new technologies to ensure ongoing business operations.

The impact of the pandemic evolved over the course of the reporting period for this statement and will be addressed further in our next Modern Slavery Statement.

6. ACTIONS TAKEN TO ASSESS AND ADDRESS THE RISKS, INCLUDING DUE DILIGENCE AND REMEDIATION PROCESS

Doing the right thing: Our Global Code of Conduct

Our reputation for acting safely and responsibly is critical to running a successful and growing business that generates value for all our stakeholders. Our 2025 mission to become the recognised leader for innovation and excellence in the construction industry requires that we maintain and continue to build our reputation. At Laing O'Rourke we undertake to do business the right way, not business at any price.

This means that everyone directly employed by us is expected to follow the Global Code of Conduct and we require anyone acting or working on our behalf, such as

consultants, partners, affiliates, subcontractors and suppliers, to follow and uphold the intent of the standards set out in the Code.

The Code specifically requires our employees and business partners to observe basic human rights and local labour laws.

A mandatory online Code of Conduct training module is provided to all our monthly-paid staff and must be successfully completed within three months of the start of their employment.

On-site operatives are provided with a 'tool-box talk' covering the key elements of the Code to ensure we drive responsible and ethical behaviour into our delivery activities at site level.

If anyone feels that a breach of the Code may be taking place, they are encouraged to raise it and we offer a dedicated, confidential whistle-blowing hotline which is independently run with trained operators available 24/7. There is also the option to file a report online at <https://www.safecall.co.uk/report/>.

The Code outlines our commitment to upholding the human rights of all those who work with us and sets out our compliance with international conventions regarding human rights and enforced or child labour.

Our Global Code of Conduct can be read in full on our [website](#).

Ethics and compliance champions

As part of our initiative to identify and mitigate risk, we have established a network of 'Ethics and Compliance Champions' with training support on matters relating to our Global Code of Conduct including modern slavery.

Governance, due diligence process, vetting and auditing of suppliers

In order for a supplier to work on one of our projects they must first become accredited via our internal vetting processes. This involves the supplier completing a prequalification vendor questionnaire to determine whether they have the right policies, processes and procedures in place. As part of this process, we request to view our suppliers' policies setting out their approaches to managing modern slavery and validate that they are aligned with our own policies. We also conduct our own due diligence enquiries using a risk-based approach.

The performance of our suppliers is then monitored and assessed in a number of areas on a quarterly basis to identify any opportunities for improvement or to acknowledge successes at review meetings.

For our more strategic trades and high-risk purchase and subcontract orders, our project teams integrate with the suppliers to develop greater in-depth knowledge of all aspects of their businesses and their upstream supply chain and where appropriate commission a third-party audit.

Corporate governance framework

We operate within an established and externally benchmarked corporate governance framework that is underpinned by our Mission and Guiding Principles.

A key function of our corporate governance framework is the identification, management and mitigation of operational and financial risks. As outlined throughout this statement, our Global Code of Conduct provides us and our partners with the guidance we all need to do the right thing.

We have also reviewed the governance and controls that are in place to identify and prevent the risks of modern slavery arising in our UK activities.

7. EFFECTIVENESS OF THE ACTIONS

Laing O'Rourke has established the following mechanisms for considering the effectiveness of its actions to identify, assess and address risks of modern slavery:

- Carrying out an internal compliance audit every six months, reported to the Board
- The Compliance Committee reviewing relevant policies and ensuring that modern slavery controls operate appropriately within the compliance workstream
- Implementing a risk reporting process that highlights any project-based risks to senior management
- Monitoring the Safecall whistleblower hotline to address reports on complaints or suspicions
- Carrying out an annual supply chain analysis and review.

8. LOOKING AHEAD

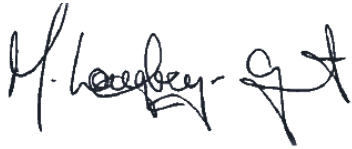
We are continuing the work of the Hub Compliance Committees and have formed a Global Modern Slavery Working Group to develop the modern slavery-specific controls using Stronger Together best practices. Our approach to assessing modern slavery and human trafficking risks will continue to evolve and we will mitigate these risks through the provisions mentioned above. To ensure that we are successful in detecting and preventing slavery or human trafficking in any of our supply chains, we will continually review governance, policies and practices with all suppliers and will assess any concerns of modern slavery or human trafficking on a case-by-case basis.

Specific upcoming improvements to our controls which will be reported in more detail within the FY22 Modern Slavery statement include: Review and improvement of contracts with labour suppliers and the introduction of modern slavery as a fixed agenda item during progress meetings with labour providers; Awareness and response plan training to site-based employees, along with the display of multi-lingual on-site posters for awareness raising among the workforce; Distribution and display of our Code of Conduct posters to all site locations including the contact details of our Safecall multi-lingual whistleblower Hotline, Mandatory Code of Conduct training and pledge certification to all employees and the development of Key Performance Indicators.

9. RESPONSIBILITY AND COMPLIANCE

Laing O'Rourke's European Executive Committee has overall responsibility for this statement and for ensuring that all policies and procedures under this statement are aligned and complied with.

This statement has been approved by the board of Laing O'Rourke plc.

A handwritten signature in black ink, appearing to read 'M. Loughrey-Grant', written in a cursive style.

Madeleine Loughrey-Grant
Group Legal and Tax Director
31 August 2021

*[1] Relevant subsidiaries in scope of the Act's disclosure requirement are as follows:
Explore Manufacturing Limited; Select Plant Hire Co Ltd; Expanded Limited; Laing
O'Rourke Construction Ltd; Laing O'Rourke Services Ltd and Crown House
Technologies Ltd.*