

INTERNAL

A decorative graphic element consisting of a large rectangular area filled with a dense pattern of diagonal lines. The lines are colored in a gradient from dark green on the left to light green on the right. The bottom edge of this patterned area is curved upwards.

Clough Modern Slavery Statement FY2022

Once printed this document becomes uncontrolled.
Refer to CMS for a controlled copy.



Contents

1	Introduction	3
2	Clough Reporting Entities’ structure, operations and supply chains	3
2.1	Corporate Structure	3
2.2	Operations	3
2.3	Supply Chains.....	4
3	Risks of modern slavery practices	5
3.1	In Clough Reporting Entities’ operations	5
3.2	In Clough Reporting Entities’ supply chains	6
4	Actions to assess and address the risks	7
4.1	Clough Reporting Entities’ standards and policies	7
4.2	Modern slavery awareness training.....	7
4.3	Due diligence process for new international jurisdictions	7
4.4	Strengthening supply chain transparency and accountability	8
4.5	Assessment of JV Partners Pre-qualification Procedures for Suppliers.....	8
5	Assessing effectiveness of actions	8
6	The process of consultation	9
7	Approval	9

1 Introduction

This modern slavery statement (Statement) is made by Clough Limited (ABN 59 008 678 813) (administrators appointed) (**Clough Limited**), Clough Projects International Pty Ltd (ABN 84 109 444 902) (administrators appointed) (**Clough Projects International**), Clough Operations Pty Ltd (ABN 26 109 444 279) (administrators appointed) (**Clough Operations**), Clough Projects Pty Ltd (ABN 67 109 444 831) (**Clough Projects**), Clough Projects Australia Pty Ltd (ABN 26 109 444 215) (**Clough Projects Australia**) and e2o Pty Ltd (ABN 59 125 234 924) (**e2o**) (together **Clough Reporting Entities**) for the reporting period of **1 July 2021 to 30 June 2022** (the **Reporting Period**) under the Modern Slavery Act (Cth) 2018 (the **Act**). The Statement describes the following in respect to Clough's business, supply chain and operations during the Reporting Period:

- a) the structure, operations and supply chain of the Clough Reporting Entities;
- b) risks of modern slavery practices in such operations and supply chains;
- c) activities and procedures undertaken throughout the reporting period by Clough to prevent modern slavery;
- d) how Clough assesses the effectiveness of its activities and procedures; and
- e) the process of consultation between the Clough Reporting Entities in the preparation of this Statement.

Where this Statement refers to Clough, it is a reference to Clough Limited and its subsidiaries, some of which are not reporting entities pursuant to the Act.

On 5 December 2022, Salvatore Algeri, Jason Tracy, David Orr and Glen Kanevsky of Deloitte Financial Advisory Pty Ltd were appointed as joint and several voluntary administrators (**Administrators**) for the Reporting Entities. The following Reporting Entities remain under administration: Clough Limited, Clough Projects International and Clough Operations. This Statement is required to be jointly approved by the Administrators and the directors of the Clough Reporting Entities acquired by Holding Construction Australia Pty Ltd (ACN 665 013 776) (**Clough Board**).

In February 2023 the following Clough Reporting Entities were acquired by Holding Construction Australia Pty Ltd (ACN 665 013 776): Clough Projects Pty Ltd and Clough Project Australia Pty Ltd. The Clough Board is responsible for the day-to-day conduct of those entities.

2 Clough Reporting Entities' structure, operations and supply chains

2.1 Corporate Structure

During the Reporting Period Clough Limited was a wholly owned subsidiary of Murray & Roberts Pty Ltd (ACN 105 617 865), incorporated and domiciled in Australia. Clough Limited is the holding company for Clough International, Clough Operations, Clough Projects and Clough Projects Australia.

Clough is a pioneering engineering and construction company established in 1919 in Perth, Western Australia. Clough operates in global markets, delivering sustainable, high performing assets for the infrastructure, resources and energy industries. In the Reporting Period, Clough managed a workforce of over 2,000 people from operating centres across Australia, Papua New Guinea, Asia, North America and the United Kingdom.

2.2 Operations

During the Reporting Period Clough had construction and infrastructure projects in Australia, Papua New Guinea, North America, Mongolia and the United Kingdom.

- ★ Clough’s projects; and
- principal office locations

are set out in the map below.



Some of Clough’s construction and infrastructure projects are undertaken in joint venture with entities not owned or controlled by Clough, and Clough Reporting Entities are party to several unincorporated joint ventures.

2.3 Supply Chains

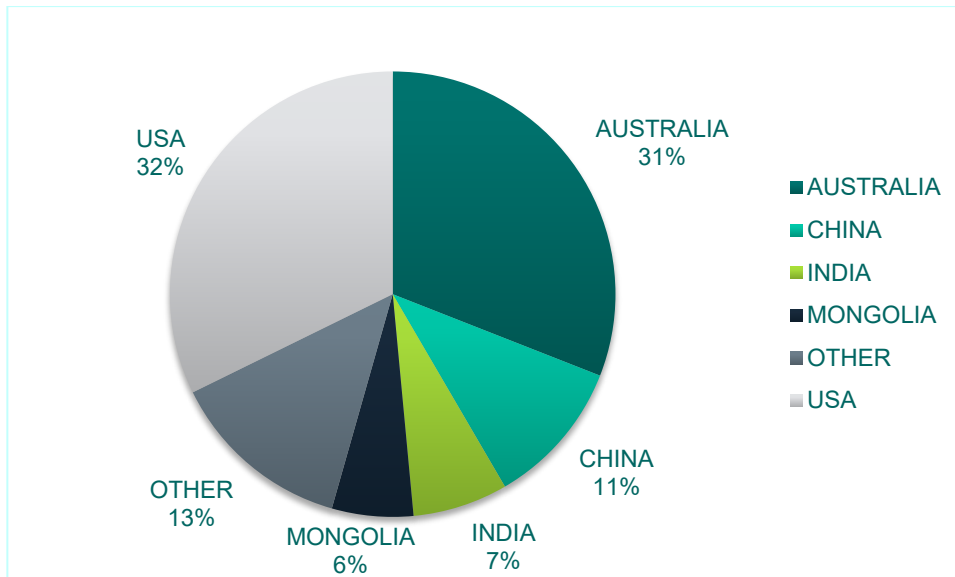
Clough Reporting Entities have a global supply network, particularly to service its highly specialised projects and international projects.

The majority of Clough’s materials and equipment is procured in Australia and the USA, with Clough spending approximately 60% of its total tier 1 supplier (i.e. suppliers with whom we have a direct relationship) spend on Australian and US suppliers¹. This spend is based on data from between 2018 and 2022, which we have set out in this way because of the ongoing nature of Clough’s projects during this period.

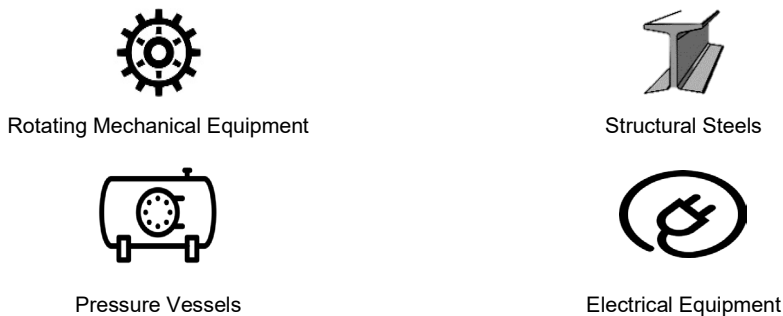
The top countries, based on supplier spend, from which Clough procured materials and equipment are set out below, together with the percentage spend per country².

¹ This data is based on Clough’s spend on materials and equipment between 2018 and 2022.

² This data is based on Clough’s spend on materials and equipment between 2018 and 2022.



Clough’s top spend categories for materials and equipment are:



3 Risks of modern slavery practices

3.1 In Clough Reporting Entities’ operations

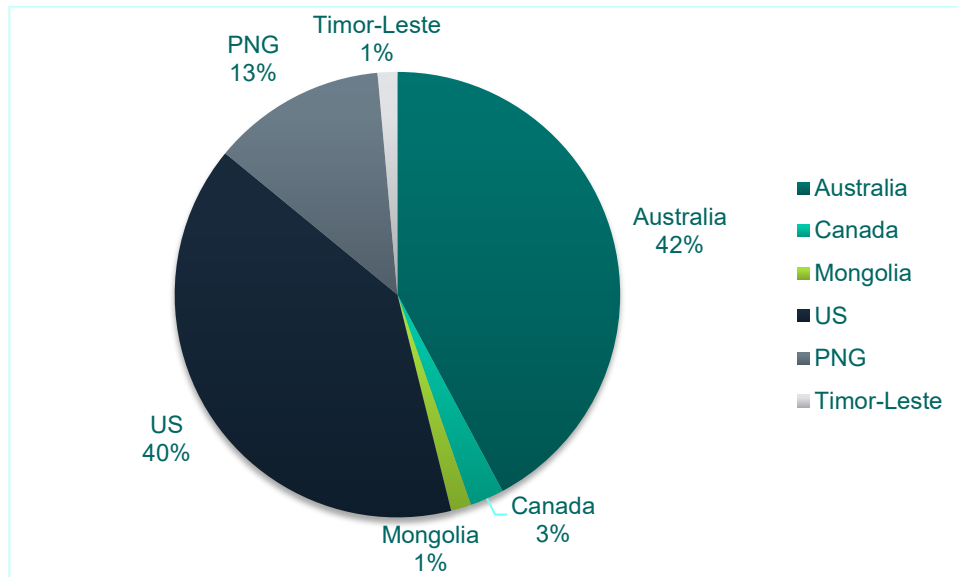
Clough Reporting Entities have assessed the risk of modern slavery in its direct operations as low, particularly as its employees during the Reporting Period were predominately located in Australia and the USA. Clough Reporting Entities have policies and procedures in place that promote the protection of human rights, in addition to ethical business conduct. The below chart shows the countries where Clough employees are based.

Clough Reporting Entities have stringent and transparent recruiting processes, and applicants are provided with detailed information about prospective roles and working conditions. Clough Reporting Entities also undertake regular reviews of employees’ remuneration and working conditions to ensure compliance with all applicable laws. As set out below, Clough also has employees based in Mongolia. These employees work for a project site where wages are high comparatively for the region. Clough’s Human Resources and Legal Departments ensure that all labour laws are followed.

In relation to Mongolia and Timor-Leste, which are prone to higher modern slavery risks, Clough undertakes work on projects through an incorporated joint venture. These projects involve companies that hire people directly and have their own HR and payroll.

These companies also ensure that staff are paid in accordance with labour laws In Mongolia, the incorporated joint venture has an Employee Relations Management

Procedure which prescribes that all staff must be paid fairly and in accordance with Mongolian labour laws, internal procedures and other related procedures and regulations.



From time to time, Clough Reporting Entities engage agencies to supply labour to its operations.

Clough’s labour hire agreements are with reputable companies, and we nominate the terms and conditions that are payable to staff to ensure they meet labour laws, and legislative requirements, including relevant modern awards and or the applicable enterprise agreements.

When doing this, Clough Reporting Entities engage reputable agencies and require these agencies to comply with all applicable laws, in addition to requiring agencies to disclose the remuneration the worker will receive.

3.2 In Clough Reporting Entities’ supply chains

Clough Reporting Entities operate in the construction and infrastructure sector, a sector with elevated modern slavery risks in terms of its supply chain. In addition to this, the construction supply chains comprise millions of raw materials and components used to construct complex infrastructure, some of which also have elevated risks of modern slavery.

Clough Reporting Entities apply measures to mitigate modern slavery risks in its supply chains and operations, including those set out at paragraph 4 of this Statement. Clough Reporting Entities are continuing to assess supply chain risks and improve transparency across its direct and extended supply chains.

For new suppliers, Clough requires them to complete a mandatory questionnaire regarding compliance with the prevention of modern slavery practices. For the Reporting Period, we did not identify any ‘red flags’. If there are issues which present a material risk, we exclude the supplier (which we did in a prior year when the supplier refused to confirm compliance).

We do not generally have a relationship with our tier 2 suppliers (i.e. the suppliers of our tier 1 suppliers) however, Clough acknowledges the unique risks which are presented in the tier 2 supply chain. Recognising the need for continuous improvement in managing modern slavery risks and to improve transparency in our supply chain we plan to include requests for additional information with respect to tier 2 suppliers in our mandatory questionnaire for new suppliers. Tier 1 suppliers who subcontract to suppliers from high risk jurisdictions will be subject to a further risk assessment.

During the execution of a project Clough Reporting Entities have the ability to conduct onsite visits of its tier 1 suppliers' premises as per the agreed scope of work to assess actual or potential risks and produce an audit report.

4 Actions to assess and address the risks

Below are some of the key measures Clough Reporting Entities have in place to mitigate modern slavery risks in their supply chains and operations. Clough Reporting Entities are also striving to implement these measures for projects undertaken in an unincorporated joint venture with entities not owned or controlled by Clough.

4.1 Clough Reporting Entities' standards and policies

Clough Reporting Entities have standards and policies that require its workforce to act ethically and with integrity, in addition to observing fundamental human rights. These standards and policies include (but are not limited to) the:

- a) Workplace Behaviour Policy;
- b) Supply Chain Management Operating Standard;
- c) Code of Conduct; and
- d) Diversity Policy.

In addition to undertaking periodic reviews of these policies with their relevant managers, Clough Reporting Entities also encourage the disclosure of any instances of suspected unethical, illegal or undesirable conduct involving its business activities, including human rights violations. There are various avenues available for raising such concerns and concerns may be raised anonymously, as set out in Clough's Whistleblower Policy.

4.2 Modern slavery awareness training

Clough Reporting Entities have implemented various measures to build awareness of human rights, including by providing tailored training to individuals and functions most likely to identify human rights related issues.

This training has focused on the conduct that constitutes modern slavery under the Act and the geographical regions, materials and goods with elevated modern slavery risks, in addition to providing details of how actual or suspected violations can be raised. This training was also provided to the Clough supply chain and commercial teams in Australia, Asia-Pacific and North America.

4.3 Due diligence process for new international jurisdictions

Clough Reporting Entities continued to strengthen their due diligence process for entering new international jurisdictions to pursue projects or other business opportunities. Entering into new jurisdictions requires approval by the Clough Board. By obtaining approval we are required to provide an analysis of the modern slavery

risk associated with that jurisdiction. In particular, this is assessed in context of the proposed project.

4.4 As part of this process, modern slavery risks are specifically considered and addressed. Strengthening supply chain transparency and accountability

Clough Reporting Entities have identified various measures to continually improve transparency and accountability in its supply chains. During the reporting period, Clough Reporting Entities:

- a) Conducted a risk assessment of its direct, global materials and equipment supply chains, the results for which have informed Clough's understanding of its global modern slavery risk. These risks are described in further detail at paragraph 3.2 above.
- b) Required all domestic and international suppliers and subcontractors to comply with domestic and international modern slavery laws and standards by way of express terms and conditions.
- c) Required all domestic and international suppliers and subcontractors to provide information during the pre-qualification process confirming they have ethical business practices and comply with human rights standards, including refining questions to better capture information. This pre-qualification process specifically requires suppliers and subcontractors to disclose any modern slavery investigations or convictions, in addition to details of how any domestic and international modern slavery laws and standards are complied with.

If suppliers do not adequately answer pre-qualification questions about mitigating risk around modern slavery, then following escalation, they will be excluded from tendering or doing work for Clough Reporting Entities.

4.5 Assessment of JV Partners Pre-qualification Procedures for Suppliers

Clough also has, where appropriate, taken the opportunity to investigate the pre-qualification processes and terms and conditions of its Joint Venture Partners to ensure they also interrogate suppliers about their commitment to eradicating modern slavery. Clough has maintained the level of its engagement with its Joint Venture Partners over their terms and conditions as they relate to modern slavery since 2021. Clough's Joint Venture Partners also often use Clough's templates and procedures, which contain built-in modern slavery terms and conditions.

5 Assessing effectiveness of actions

During this Reporting Period, Clough Reporting Entities continued to focus and improve their understanding of modern slavery risks predominately within its supply chain. As set out above, Clough Reporting Entities analysed risks and used its processes to reduce modern slavery risks in its operations and supply chain. These measures have enabled Clough Reporting Entities to identify suppliers and subcontractors that present an increased risk of modern slavery. As mentioned above, this is assessed through the responses provided by new suppliers answering in response to questionnaires which contain mandatory questions regarding modern slavery. It has also meant Joint Venture Partners show the same commitment to reducing risks around modern slavery in their supply chain.



6 The process of consultation

This Statement was prepared in consultation with each of the Clough Reporting Entities and reflects the position of each of these entities. As part of the consultation process, operational projects were consulted, in addition to Clough’s Supply Chain, Commercial, Human Resources and Legal Teams.

7 Approval

This Statement was jointly approved by the Administrators in their capacity as joint and several voluntary administrators of Clough Limited, Clough Projects International Pty Ltd and Clough Operations Pty Ltd and the Clough Board on 8 June 2023.

Peter Bennett

Chief Executive Officer and Managing Director the Clough Board for the Reporting Period

Clough Projects Pty Ltd, Clough Projects Australia Pty Ltd and e2o Pty Ltd