

Modern Slavery and Human Trafficking Statement 2021

This statement is made by John Wood Group PLC and is made pursuant to the UK Modern Slavery Act 2015 and in compliance with the Australian Modern Slavery Act 2018, setting out the steps the company has taken to prevent modern slavery across the business and supply chain.



1. Our commitment

People are the heart of our business. Wood is committed to continually developing, maintaining and enhancing the work environment and sense of family and belonging we seek to foster. We commit to working to, and promoting, the highest standards of human rights, ending all forms of slavery, trafficking and child exploitation. These are fundamental requirements, engendered in our governance and central to our values.

As members of the UN Global Compact, Wood has voluntarily committed to go beyond the Universal Declaration of Human Rights (UDHR), in upholding the Global Compact Principles; with principles 1 and 2 specifically addressing human rights:

1. **Businesses should support and respect the protection of internationally proclaimed human rights; and**
2. **Make sure that they are not complicit in human rights abuses.**

Human rights abuse has no place in modern society. We continue to look for ways to not only address this directly within our sphere of influence, but work with our peers and industry bodies to improve standards, drive down risk and raise awareness across our industry; this is evident through our work with the initiative [Building Responsibly](#).

2. Our organisational structure

Wood is a UK listed company and constituent of the FTSE 250 Index, headquartered in Aberdeen, Scotland with over 160 years of history behind us. We operate in more than 60 countries, employing around 39,000 people, with revenues of over \$8 billion, delivering services across two broad end markets:

- Energy
- Built Environment

Wood is a global leader in consulting and engineering across energy and the built environment. We provide consulting, projects and operations services helping to unlock solutions to some of the world's most critical challenges. We are organised into three global business units aligned to our services and capability.

- **Consulting:** is a global, multi-sector specialist consultancy, partner to a wide range of clients across all of energy and the built environment.
- **Projects:** covering all aspects of Conventional Energy, Process & Chemicals and Renewable Energy & Power, our capital Projects business delivers the best possible return from our client's capital expenditure.
- **Operations:** partners with our clients to optimise their operational expenditure across a wide range of assets.

As a global business of significant breadth and scale, we work across a multitude of stakeholder and client partnerships, from design consultants through to heavy civil construction projects. Correspondingly, our supply chain is extensive aligning to our global portfolio of delivery. From consumables to specialist subcontractor activity, our supply chain is complex, vast and essential to the way we operate our business.

Historically our supply chain has been managed at a regional level. Although this method aligns to local business conditions and provides the benefit of strong regional relationship building, it does present the challenge of a more complex supply chain. As part of Wood’s Future Fit programme we have initiated a ‘root and branch’ review of our management processes. The objective is to strengthen our management of the supply chain through adopting a more consistent improved enterprise approach to supplier and supply chain management.

Ensuring supply chain relationships are equitable, fair and free from risk to human rights abuses such as modern slavery and human trafficking, is critical to our success, risk management and reputation. Respectful, fair and honest treatment of everyone we work with is a priority for the company. Our business is based on relationships and our values reflect the behaviours we stand for:

Care: Working safely, with integrity, respecting and valuing each other and our communities

Commitment: Consistently delivering to all our stakeholders

Courage: Pushing the boundaries to create smarter, more sustainable solutions

This year has been exceptional for everyone. Covid-19 has caused unprecedented disruption to all aspects of our work and home life in Wood and across our entire value chain. We recognise the strength and fortitude of our people and partners in adapting to a new way of doing business at the work site as well as those working from home. The imposition of tough restrictions cut across our ability to travel and impacted our traditional methods of assurance assessment. Finding new and innovative ways to conduct assurance activity was a key focus, as we dealt with the inability to conduct important face-to-face contact.

3. Governance and leadership

Over the last three years, to support our programme of compliance, we continued to develop our policies with input from our in-house experts, suppliers and external stakeholders. Modern slavery and human trafficking risks are managed throughout our governance processes and we have several mandatory processes in place relevant to modern slavery, all of which are signed off at Executive Director level:

Code of Conduct	Sets fundamental expectations for all employees on upholding human rights and the Universal Declaration of Human Rights, zero tolerance of abuses of human rights inclusive of modern slavery and human trafficking.
Code of Conduct for Suppliers	Aligns to Wood’s Code of Conduct, sets our expectations for suppliers including upholding human rights and the Universal Declaration of Human Rights, zero tolerance of abuses of human rights inclusive of modern slavery and human trafficking.
Human Rights Policy	States our commitment to respect internationally recognised human rights in line with the principles and guidance contained in the United Nations (UN) Guiding Principles on Human Rights.
Ethics Hotline	Aimed principally at our colleagues, but also available to others working in our supply chain, confidential reporting channels are managed by a third party and concerns can be raised by phone or online in multiple languages.

We regard modern slavery and human trafficking, and wider human rights abuse, as a significant risk to our organisation that must be managed in all that we do. Through the course of the year, we have continued to review, update and develop our processes. In particular Wood’s Future Fit programme has

initiated a wide-ranging review of our organisational structure and business management system, to ensure a more joined up, holistic approach throughout the organisation. We will continue to build on this progress over the course of the next 12 months.

Functional overview

Supply Chain Function - Supplier Standard	<p>Governance of our supply chain is set out in our Supplier Standard, a core and mandatory element of our supply chain management approach. Alongside the Supplier Code of Conduct, the standard unifies our approach and expectation for our supply chain teams. The standard covers suppliers in their direct nexus with Wood and extends through to commitments on how they treat their own supply chain. The standard is supported by a suite of tools inclusive of a due diligence tracker and educational pack for our supply chain team to draw upon. To increase transparency, we have recently introduced a supply chain dashboard, which tracks due diligence activity monthly.</p>
Commercial Function - Tender Governance	<p>Our tender governance policy is applied globally to provide a consistent approach to the review and approval of tenders across Wood. The key aims are (i) the management of risk (ii) the delivery of expected returns in line with budget requirements and (iii) the protection of the business. The review process is inclusive of a human rights review to ensure Wood does not contribute to the abuse of human rights inclusive of modern slavery and human trafficking.</p>
People and Organisation Function – Human Rights	<p>Wood’s human resources related policies, procedures and standards are underpinned by the Human Rights policy and Code of Conduct. Wood’s recruitment and hiring procedure seeks to ensure fair and equitable treatment of all employees across the company, our standards in management of employees ensure that the company is free from modern slavery and human trafficking risks, dealing with approved and competent third parties and upholding the principle of ‘the employer pays’ in terms of recruitment and hiring.</p>

Oversight and leadership

Human rights, inclusive of modern slavery and human trafficking, are of material importance to the company and therefore subject to scrutiny from both the Executive Leadership Team and Safety and Ethics Committee of the Board through dedicated sessions:

Safety and Business Ethics Committee of the Board	<p>Non-executive oversight of Wood’s management of material ESG matters, sustainability programme and targets, meeting quarterly. Reviews and makes recommendations on this statement prior to Board approval of the statement.</p>
Executive Leadership Team Safety Day	<p>Full Executive Leadership Team oversight of Wood’s sustainability programme, substantive discussion of material risks – inclusive of modern slavery and human trafficking. Oversees management of ESG risk inclusive of modern slavery and human trafficking and regulatory requirements including this statement.</p>

In December 2020 Wood appointed a President of Sustainability. This new role was created in recognition of the importance and materiality of ESG matters on the business. The role provides direction and guidance on Wood’s sustainability programme and response to human rights, modern slavery and human trafficking,

working closely with functions and operations to ensure we exemplify the commitment laid down in the UN Global Compact.

4. Assessing the risks

Operating in over 60 countries, and with an extensive supply chain, we must remain vigilant of modern slavery and human trafficking in all our interactions. Wood already operates well developed processes to identify and manage risk across the business. Supported by the Head of Risk and our Internal Audit Function, we have used the group approach to establish our human rights risk register.

As part of our sustainability programme and newly established Human Rights Working Group (replacing Wood's Modern Slavery and Human Trafficking Working Group) is the custodian for Wood's human rights risk register, development and update.

Creating focus on the risk from modern slavery and human trafficking:



Direct influence

Where we have direct nexus or sphere of influence in employer/employee relationships. Wood operates robust and effective processes to manage risks in our direct sphere of influence, and in practice we believe this represents a lower level of risk to the business.



Indirect influence

We recognise that third-party labour, unlike our directly employed personnel, has greater potential to give rise to differing standards in working conditions and compensation, with often limited control over our supply chain. This is an area of greater focus for the business and where we see the greatest risk to the potential violation of human rights.

Identified as a material risk to Wood's sustainability strategy, we have prioritised focus on third-party relationships, where contractors utilise recruitment agencies and labour brokers for the employment of low-skilled personnel. In all our relationships, experience, research and investigations tell us this is where we have the greatest potential risk of modern slavery and human trafficking, and we have opportunity to improve the welfare of workers.

In addition, we recognise risk in our wider supply network where we procure materials, technology and commodities for use in projects. As a service provider, in many instances Wood is contractually obliged to work with a client's choice of supplier, with variable influence on procurement decisions. Where we have the ability to select supplier, this can often come with restrictions including but not restricted to ensuring certain levels of local spend/content as part of contractual and/or legal requirement.

Whilst modern slavery and human trafficking can happen anywhere, it is a particular risk in countries where human rights are not well enshrined into domestic legal frameworks or are applied less vigorously to migrant worker populations. Wood is committed to ensuring that suppliers falling into these areas of heightened risk are identified, assessed and monitored as part of our routine supply chain governance and approach to managing the risk from modern slavery and human trafficking.

5. Addressing key risk

We recognise that addressing the risk of human rights is complex, and requires an interconnected, collaborative approach across Wood to coalesce around the promises made in our Code of Conduct. Human rights risks extend across the value chain requiring all parts of Wood to work together to eliminate. This is reflected in the diverse functional representation on our Human Rights Working Group and captured in our risk register and cross-discipline governance for human rights.

Delivering strong leadership

Our leadership are fundamental to ensuring Wood's governance processes are embedded across our operations. The social restrictions applied as a result of the global pandemic, impacted our ability to deliver our desired level of in-person leadership oversight, assurance and on-the-ground due diligence. Through the agility of our workforce, we have found remote methods to connect with our projects, contractors and suppliers, but recognise we must do more in this area to improve. As social restrictions ease, we will seek to return to in-person assurance activities and relationship building.

Strengthening our supply chain

In 2020, we made considerable organisational change, which we will continue to implement, inclusive of our supply chain function. We will continue work on building and strengthening our management approach to pre-qualification and due diligence of supply chain partners, having already refreshed our standards and working on replacing a regional approach to pre-qualification, with an enterprise approach. Concurrently, we will look to address the scale of our supply chain, looking for significant consolidation and contraction, that will better enable us to screen out 'at risk' suppliers on several factors including human rights-based risk.

Responsibly managing a migrant workforce

Managing migrant workers, especially where they are not in direct employment of Wood, continues to be a significant risk to our business. Effectively worker welfare, and in particular the issues a migrant workforce presents, is a cross-industry challenge. Born out of this challenge, our focus to support the Building Responsibly initiative and its 10 Principles for worker welfare, seeks to harness the power of partnership and value of cross-industry collaboration. As a founding member of the industry-led, business-financed initiative we continue to help drive the organisation forward. Promoting the rights and welfare of workers, specifically for those in the engineering and construction industry, the initiative is part of Wood's approach to uphold basic human rights and welfare of those that work for, or on our behalf of, us. Our membership and continued contribution to the collaboration has been recognised by members voting Wood onto the Building Responsibly Steering Committee in June 2021. Addressing our most vulnerable workers, Wood has set firm goals for compliance with the Building Responsibly Principles, for ourselves and our supply chain.



The most effective process in managing risk is vigilance. Our employee and supplier communities have clear standards to work through in the Code of Conduct, Wood has established mechanisms for all stakeholders to raise issues to the company through our Responsible Officers, Ethics and Compliance team

or anonymously, if required, through the Ethics hotline. All significant incidents, including allegations of modern slavery and human trafficking, are investigated – we use the Building Responsibly Principles to underpin human rights-based allegations. Also see our Sustainability Report for further details.

Setting sustainability targets

Human rights are an implicit part of Wood’s material sustainability issues forming an important pillar of our social risk landscape. As part of our sustainability program, we have initiated a decade of change through targeting improvements which directly respond to global sustainable development goal objectives. In line with our work with Building Responsibly and in response to risk in the supply chain we have, as part of our sustainability targets, incorporated worker welfare:

- Ensure 100% of our labour suppliers comply with the Building Responsibly Principles by 2025.
- Ensure 100% of our suppliers have Building Responsibly Principles into their supply chains by 2030.

The targets are underpinned by a comprehensive delivery strategy and plan, we will publish our progress annually through our sustainability reporting process.

6. Training and capacity building

Clearly it is imperative that we keep people up to date with their obligations to Wood in terms of our Code of Conduct, need to remain vigilant and duty to report wrong doing, or suspicion of wrong doing. Covid-19 has impacted our ability to implement training, however, we continued to build knowledge among our employee networks, taking an integrated approach to human rights awareness and capacity building.

Code of Conduct Training	100% of the target group (4,200 people) completed mandatory ethics training focused on working with third parties and conflicts of interest.
Code of Conduct for new starters	Updated and launched new general Code of Conduct computer-based package for new starters, implemented through Oracle People.
Sustainability Training	General awareness training course outlining key material impacts inclusive of human rights and how they affect Wood.
Responsible Officer Training	Post Future Fit reorganisation new Responsible Officers received 1-2-1 training on all elements of our Code of Conduct and its application to the business.
Supply Chain Awareness	Refreshed supplier standards links to a resource’s awareness pack on human rights made available to our Supply Chain function members.
Human Rights Awareness	Wood is working with Building Responsibly to develop training resources to support members to implement the Worker Welfare Principles.

Added to the formal training are a number of lunch and learn activities, webinars, newsletter and intranet-based resources, aimed at improving knowledge and skills across the enterprise.

7. Look ahead

Human rights, inclusive of modern slavery and human trafficking, form an integral part of Wood's ESG risk issues to manage. The President of Sustainability role brings a more focused level of leadership to Wood's ESG risk management and will drive continued improvement across all aspects of Wood's ESG agenda. Wood recognises both that upholding and enhancing human rights is integral to our success and remains committed to driving standards upwards, not just for the company but across the industry through our association with Building Responsibly.

The Human Rights working group is integral to working across multiple stakeholders to identify opportunities for improvement and is already developing bespoke human rights awareness training to incorporate Wood's human rights-based target. The key will be to engage with our supply chain partners, to work with them, learn from them and support them in their journey with us to end modern slavery and human trafficking across the entire value chain.



Name Robin Watson
Position Chief Executive
Date 17 August 2021

Footnotes:

1. This statement was approved by the board of directors on the 16th August 2021.
2. This statement is applicable to all John Wood Group PLC subsidiaries, these include in the UK:

Amec Foster Wheeler Earth and Environmental (UK) Limited
Amec Foster Wheeler Group Limited
Amec Foster Wheeler Limited
Amec Foster Wheeler Energy Limited
Mustang Engineering Limited
QED International (UK) Limited
Rider Hunt International Limited
The Automated Technology Group Limited
Wood Group UK Ltd

A full list of subsidiaries can be found in our Annual Report and Accounts 2020, available at www.woodplc.com