

The background of the page is a photograph of an industrial facility, possibly a refinery or chemical plant. It features complex metal structures, pipes, and walkways. Three workers in high-visibility orange and blue uniforms and white hard hats are standing in the foreground, looking towards the facility. The entire image is overlaid with a semi-transparent teal filter. A decorative pattern of thin, parallel teal lines is visible at the top of the page, behind the title text.

# CLOUGH MODERN SLAVERY STATEMENT

**FY2020**

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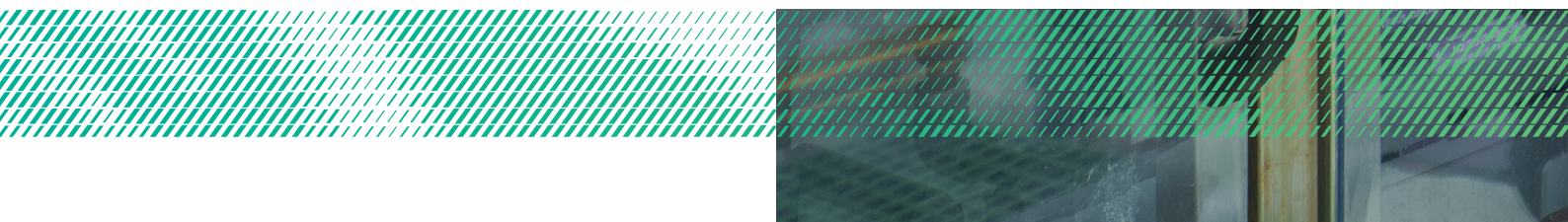
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## 1 Introduction

This joint modern slavery statement (Statement) is made by Clough Limited (ABN 59 008 678 813) (**Clough Limited**), Clough Projects International Pty Ltd (ABN 84 109 444 902) (**Clough Projects International**), Clough Operations Pty Ltd (ABN 26 109 444 279) (**Clough Operations**), Clough Projects Pty Ltd (ABN 67 109 444 831) (**Clough Projects**) and Clough Projects Australia Pty Ltd (ABN 26 109 444 215) (**Clough Projects Australia**) (together **Clough Reporting Entities**) for the reporting period of 1 July 2019 to 30 June 2020. This Statement is published as part of Clough Reporting Entities' obligations under

the *Modern Slavery Act (Cth) 2018* (Act). It describes the activities undertaken throughout the first reporting period to strengthen Clough Reporting Entities' processes and better understand the risks of modern slavery in Clough's supply chains and operations.

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.







## 2 Clough Reporting Entities' structure, operations and supply chains

### 2.1 CORPORATE STRUCTURE

Clough Limited is 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 Projects 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. Clough manages a workforce of over 2,000 people from operating centres across Australia, Papua New Guinea, Asia, North America and the United Kingdom.

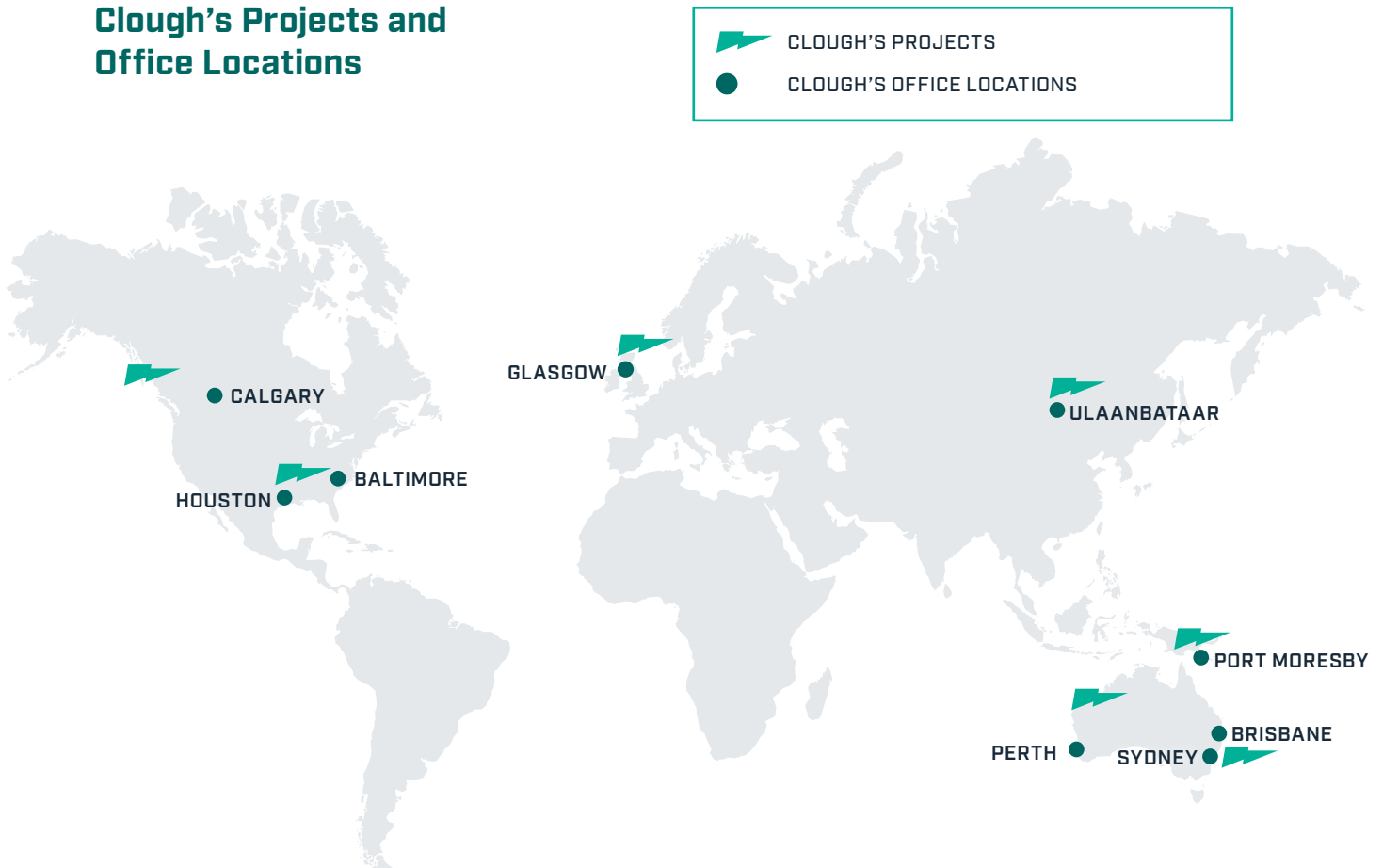
### 2.2 OPERATIONS

Clough has 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.

### Clough's Projects and Office Locations



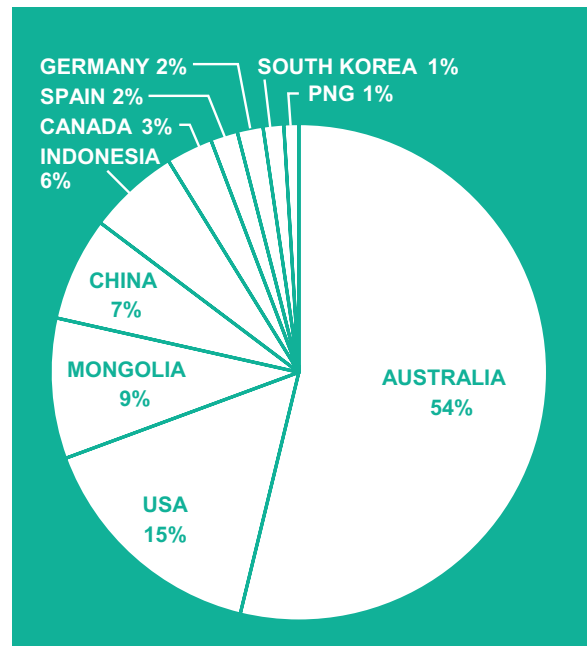




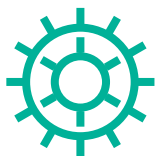
### 2.3 SUPPLY CHAINS

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, with Clough spending approximately fifty-four percent of its total supplier spend on Australian suppliers<sup>1</sup>. The top ten countries, based on supplier spend, from which Clough procured materials and equipment are set out below, together with the percentage spend per country<sup>2</sup>.



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



Rotating Mechanical Equipment



Pressure Vessels



Electrical Equipment



Structural Steels

<sup>1</sup> This data is based on Clough’s spend on materials and equipment between 2015 and 2020.

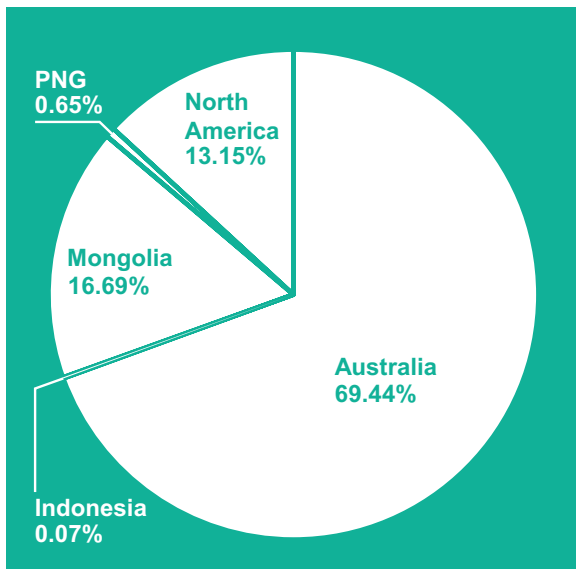
<sup>2</sup> This data is based on Clough’s spend on materials and equipment between 2015 and 2020.

## 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 are predominately located in Australia and 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<sup>3</sup>.

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.



From time to time, Clough Reporting Entities engage agencies to supply labour to its operations. 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 addition to this, the construction supply chain comprises millions of raw materials and components used to construct complex infrastructure, some of which also have elevated risks of modern slavery.

During the reporting period, Clough Reporting Entities carried out a supply chain risk assessment, which focused on its first tier suppliers. Clough Reporting Entities commenced this assessment by reviewing reputable data of geographical regions with a high prevalence of modern slavery together with the goods and materials at highest risk of modern slavery practices. Clough Reporting Entities then reviewed these high-risk regions, goods and materials against the regions from which Clough procures the majority of its materials and equipment.

After identifying classes of suppliers that presented elevated risks, Clough Reporting Entities implemented various measures to further 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.

<sup>3</sup> Based on data as at June 2020.

## 4 Actions to assess and address the risks

Below are some of the key measures Clough Reporting Entities had in place, or implemented during the first reporting period, to mitigate modern slavery risks in its 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 Fair Treatment Standard;
- b. Code of Conduct; and
- c. Equal Opportunities and Dignity at Work Policy.

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.

### 4.3 STRENGTHENING SUPPLY CHAIN TRANSPARENCY AND ACCOUNTABILITY

Clough Reporting Entities have identified various measures to improve transparency and accountability in its supply chains. During the reporting period, Clough Reporting Entities commenced implementing some of these measures, including those set out below.

- a) Conducting a risk assessment of its direct, global materials and equipment supply chains.
- b) Requiring domestic and international suppliers and subcontractors to comply with domestic and international modern slavery laws and standards.
- c) Requiring 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. 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.



## 5 Assessing effectiveness of actions

During the first reporting period, Clough Reporting Entities have focused on understanding modern slavery risks predominately within its supply chains and diagnosing any gaps in current practices. As set out above, Clough Reporting Entities implemented various additional measures to reduce modern slavery risks in its operations and supply chains. These measures have enabled Clough Reporting Entities to better positively identify suppliers and subcontractors that present an increased risk of modern slavery.

Following the first reporting period, Clough Reporting Entities conducted a review of its due diligence process undertaken prior to commencing

business activities in a new international jurisdiction. The review identified that the process was comprehensive and assessed compliance related risks in the relevant jurisdiction, however it could be expanded to specifically consider and address modern slavery risks in the jurisdiction. Clough Reporting Entities have subsequently incorporated this change.

Clough Reporting Entities intend to progressively enhance its detection process, escalation procedure and other mitigation capabilities, in addition to developing more effective tools to measure the effectiveness of Clough Reporting Entities' mitigation measures.



## 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 approved by the Clough Limited Board on 26 March 2021.

Peter Bennett  
Chief Executive Officer and Managing Director

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