

The background of the page is a photograph of an industrial site, possibly a refinery or power plant. Two workers in orange high-visibility shirts, dark blue pants, and white hard hats are walking up a set of metal stairs. The scene is overlaid with a semi-transparent teal gradient. At the top, there is a decorative horizontal band with a pattern of fine, parallel diagonal lines in shades of green and teal.

CLOUGH MODERN SLAVERY STATEMENT

FY2021

Contents

1	Introduction	2
2	Clough Reporting Entities' structure, operations and supply chains	4
2.1	Corporate Structure	4
2.2	Operations	4
2.3	Supply chains	5
3	Risks of modern slavery practices	6
3.1	In Clough Reporting Entities' operations	6
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	Strengthening supply chain transparency and accountability	7

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 2020 to 30 June 2021 under the *Modern Slavery Act (Cth)* 2018 (Act).

The Statement describes:

- 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; and
- d. how Clough assesses the effectiveness of its activities and procedures.

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 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

	CLOUGH'S PROJECTS
	CLOUGH'S OFFICE LOCATIONS

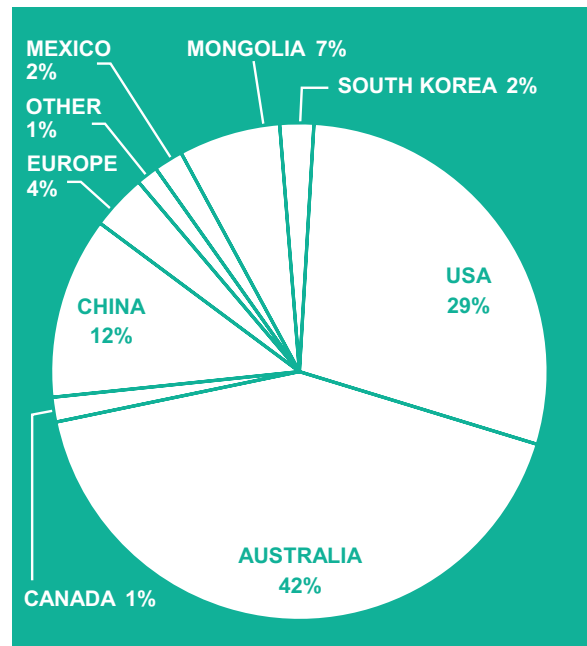




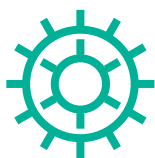
2.3 SUPPLY CHAINS

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 and the USA, with Clough spending approximately 70 percent of its total supplier spend on Australian and US suppliers¹. 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.



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



Rotating Mechanical Equipment



Pressure Vessels



Electrical Equipment



Structural Steels

¹ This data is based on Clough’s spend on materials and equipment between 2016 and 2021.

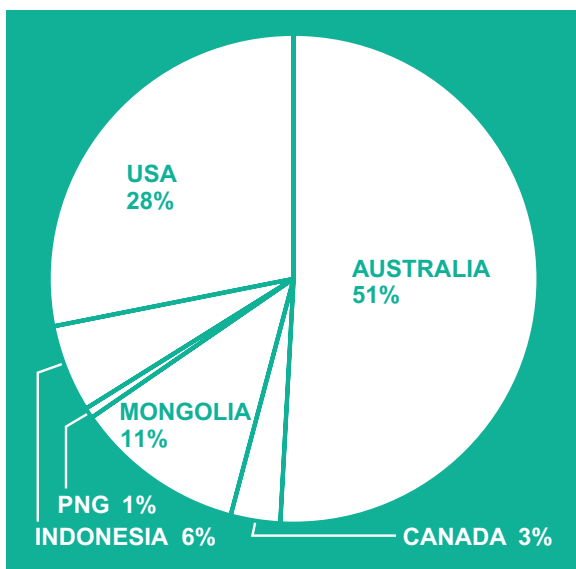
² This data is based on Clough’s spend on materials and equipment between 2016 and 2021.

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 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 based³.

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.



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 terms of its supply chain. In addition to this, the construction supply chains comprises of millions of raw materials and components used to construct complex infrastructure, some of which also have elevated risks of modern slavery.

Since the last reporting period, Clough Reporting Entities applied 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.

³ Based on data as at June 2021.

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 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 DUE DILIGENCE PROCESS FOR NEW INTERNATIONAL JURISDICTIONS

Clough Reporting Entities continued to strengthen its due diligence process for entering new international jurisdictions to pursue projects or other business opportunities. As part of this process, modern slavery risks are specifically considered and addressed.

4.4 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.
- 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.
- d. 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. One potential supplier in the reporting period refused to adequately answer questions regarding preventing modern slavery and was excluded from qualification.

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. This has resulted in Joint Venture Partners updating their pre-qualification procedures so that suppliers demonstrate a commitment to prohibiting modern slavery practices.

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.

It has also meant Joint Venture Partners show the same commitment to reducing risks around modern slavery in their supply chain.

Clough Reporting Entities continue 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 9 November 2021.

Peter Bennett
Chief Executive Officer and Managing Director

FOLLOW US AT
[CLOUGHGROUP.COM](https://www.cloughgroup.com)



Perth (Corporate Head Office)

Level 9, Alluvion
58 Mounts Bay Road
Perth, Western Australia 6000

T +618 9281 9281 | E clough@clough.com.au

