



Modern Slavery Statement

LAING O'ROURKE MODERN SLAVERY STATEMENT FOR FINANCIAL YEAR 1 APRIL 2019 to 31 MARCH 2020

Modern Slavery Act 2018 (Cth) Reporting Criteria:

There are seven mandatory reporting criteria required by the *Modern Slavery Act 2018 (Cth)*. These are listed below and the structure of this Modern Slavery Statement will address each of these criteria in turn.

1. Identify the reporting entity
2. Describe the structure, operations and supply chains
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls
4. Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address these risks, including due diligence and remediation processes
5. Describe how the reporting entity assesses the effectiveness of these actions
6. Describe the process of consultation with any entities the reporting entity owns or controls
7. Any other relevant information.

1. REPORTING ENTITY

This statement is published under section 14 of the *Modern Slavery Act 2018 (Cth)* and is a joint statement made by Laing O'Rourke Australia Pty Ltd and Laing O'Rourke Australia Construction Pty Ltd (collectively referred to as 'Laing O'Rourke Australia'). The statement sets out the steps taken by these two entities and their subsidiaries to prevent modern slavery and human trafficking in their Australian operations and supply chain.

2. STRUCTURE, OPERATIONS AND SUPPLY CHAINS

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.

STRUCTURE AND OPERATIONS

Laing O'Rourke Australia Pty Ltd (LORA):

Laing O'Rourke Australia Pty Ltd ('LORA', ACN 111 023 431) is a large private company domiciled in Australia, and its registered office is Level 21, 100 Mount Street, North Sydney NSW 2060. It currently employs approximately 2,000 people. LORA is the ultimate Australian parent of the Laing O'Rourke Australia Group and is wholly owned by Laing O'Rourke Australia Holdings Limited, a company domiciled in Jersey. The ultimate holding company is Suffolk Partners Corporation, a company incorporated in the British Virgin Islands.

The activities of LORA and its subsidiaries include the design, engineering, construction and programme management of building, road, rail and infrastructure assets.

While LORA has subsidiaries and branches in Hong Kong, Thailand, Indonesia, Saudi Arabia and New Zealand, LORA is currently only actively operating in Australia. It has projects in all states and territories except Tasmania, and it has over 30 site offices, corporate offices, storage yards and depots.

Laing O'Rourke Australia Construction Pty Ltd (LORAC):

Laing O'Rourke Australia Construction Pty Ltd ('LORAC', ACN 112 099 000) is a large private company domiciled in Australia, and its registered office is Level 21, 100 Mount Street, North Sydney NSW 2060. It currently employs approximately 1,800 people. LORAC is wholly owned by Laing O'Rourke Australia Pty Ltd (the ultimate Australian parent entity) and is part of the Laing O'Rourke Australia Group. The ultimate holding company is Suffolk Partners Corporation, a company incorporated in the British Virgin Islands.

LORAC's principal activity is design, construction and programme management of building, road, rail and infrastructure assets.

LORAC engages in a number of joint ventures and is an alliance partner on some of its projects.

LORAC currently only operates in Australia. It has projects in all states and territories except Tasmania, and it has over 30 site offices, corporate offices, storage yards and depots.

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

The majority of the entities that Laing O'Rourke Australia directly contract with are Australian. The primary reasons for this are those of convenience and efficiency; however, this also supports the protocols of our clients, who are predominantly government agencies looking to maximise local spend and support Australian businesses. Very occasionally we may contract with overseas entities, including for example privately funded projects in the Pilbara region of Western Australia. However, for this reporting period (FY20), Laing O'Rourke Australia has to the best of our knowledge not directly contracted with any overseas entities.

Many of the businesses that contract with Laing O'Rourke Australia 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.

The most prevalent commodities that would involve extended overseas supply chains posing the greatest perceived risk are listed below:

ELEMENT (all sourced by Laing O'Rourke Australia with Australian entities)	COMMENTARY ON EXTENDED SUPPLY CHAINS (Australian entities engaging with extended supply chains – some overseas)
Steel , for example, structural steel, reinforcing steel, rail steel, steel pipe etc.	<ul style="list-style-type: none"> • A significant proportion of this is sourced directly from Australian suppliers; however, some will be sourced from overseas suppliers • The location of the suppliers involved in the mining and processing of the raw materials will be a mix of Australian and overseas.
Manufactured components , for example, air handling units, air conditioning units, building management units, fire panels, CCTV systems, generators, electrical transformers, electrical switchboards, consumer units, train signalling equipment, train maintenance equipment, conveyor systems, audio visual equipment, TVs, computers, passenger lifts, escalators, access control systems etc.	<ul style="list-style-type: none"> • A significant proportion of this is sourced directly from Australian suppliers; however, some will be sourced from overseas manufacturers • The location of the manufacturers involved in manufacturing of the components from raw materials will be substantially overseas.
Plant and equipment , for example, cranes, excavators, specialist plant, tools, protective equipment, PPE, temporary access/support systems etc.	<ul style="list-style-type: none"> • A significant proportion of this is sourced directly from Australian suppliers; however, some will be sourced from overseas manufacturers • The location of the manufacturers involved in manufacturing of components of the raw materials will be substantially overseas.
Building systems , for example, façade systems, roofing systems, floor coverings, paint and coatings, chemicals, wall and ceiling systems, fixings, furniture, consumables, steel floor grilles etc.	<ul style="list-style-type: none"> • A significant proportion of this is sourced directly from Australian suppliers; however, some will be sourced from overseas manufacturers • The location of the manufacturers involved in manufacturing of components of the raw materials will be substantially overseas.
Cable , for example, cable, catenary wire etc.	<ul style="list-style-type: none"> • A significant proportion of this is sourced directly from Australian suppliers; however, some will be sourced from overseas manufacturers • The location of the manufacturers involved in manufacturing of components of the raw materials will be substantially overseas.

ELEMENT (all sourced by Laing O'Rourke Australia with Australian entities)	COMMENTARY ON EXTENDED SUPPLY CHAINS (Australian entities engaging with extended supply chains – some overseas)
Miscellaneous , for example, stationary, airlines and hotels.	<ul style="list-style-type: none"> • A significant proportion of this is sourced directly from Australian suppliers; however, some will be sourced from overseas manufacturers • The location of the manufacturers involved in manufacturing of components of the raw materials will be substantially overseas,

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.

3. RISKS OF MODERN SLAVERY 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

Within Australia, 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 Australia 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 Australia 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 Australia 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 Australia 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 within Australia 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 Australia. Although the vast majority of our business is conducted in Australia, 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.

COVID 19

The COVID-19 global pandemic began to impact businesses and the community in Australia 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 Australia 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 Laing O'Rourke Australia's 2021 financial year and will be addressed further in our next Modern Slavery Statement.

4. ACTIONS TAKEN TO ASSESS AND ADDRESS THE RISKS, INCLUDING DUE DILIGENCE AND REMEDIATION PROCESSES

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 Australia 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. The latest version of the Code was distributed to all employees in 2019.

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.

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.

We also have enterprise bargaining agreements (EBA) in place to manage set labour rates and require our subcontractors sign a monthly statutory declaration stating that they are paying their employees in accordance with the EBA. Laing O'Rourke Australia also aligns with labour hire licence requirements in Victoria and Queensland.

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.

5. EFFECTIVENESS OF THE ACTIONS

Laing O'Rourke Australia 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.

6. CONSULTATION WITH ANY OTHER ENTITIES THE REPORTING ENTITY OWNS OR CONTROLS

LORA is the ultimate Australian parent entity of LORAC. The Australian Executive Committee are responsible for both entities and ensure that all policies and procedures are aligned and that the statement has been made available for review and comment by the Board prior to approval.

7. ANY OTHER RELEVANT INFORMATION

Next steps

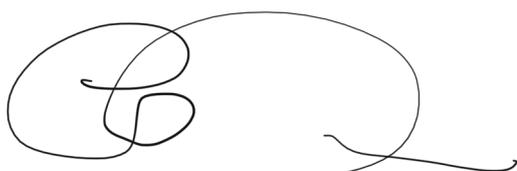
To ensure that we are successful in preventing slavery or human trafficking in any of our supply chains, we will continually review governance, policies and practices with all suppliers and will assess any concerns of modern slavery or human trafficking on a case-by-case basis.

Our approach to modern slavery and human trafficking risks will continue to evolve and we will continue to mitigate these risks through the provisions mentioned above during 2020 and beyond.

Ethics and compliance training

As part of our initiative to identify and mitigate risk, we will develop training and support on matters relating to our Code, including modern slavery. We will continue the work of the Compliance Committee and develop a Modern Slavery Working Group.

This statement has been approved by the Board of Directors of Laing O'Rourke Australia Pty Ltd on 17 June 2021.



Cathal O'Rourke
Managing Director
Laing O'Rourke Australia