

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR FINANCIAL YEAR 1 APRIL 2021 to 31 MARCH 2022

Laing O'Rourke is committed to upholding the human rights of all those who work with us and for us ensuring that they are able to work freely and receive fair pay in return. We support the principles set out in the United Nations Universal Declaration of Human Rights and require our suppliers and supply chains to do the same. We are committed to identifying and addressing the risk of modern slavery practices in our operations and supply chains.

1. REPORTING ENTITIES

This Statement is published under section 54(1) of the Modern Slavery Act 2015 by Laing O'Rourke plc and its relevant subsidiaries [1] for the financial year 1 April 2021 to 31 March 2022 ('**Reporting Entities**'). The Statement sets out the steps taken to prevent modern slavery and human trafficking in Laing O'Rourke's UK operations and supply chain.

In this Statement, the terms 'Laing O'Rourke', 'we' and 'our' are used to refer collectively to the Reporting Entities and our UK business operations.

This statement does not apply to Laing O'Rourke's non-controlled joint ventures.

2. CORPORATE STRUCTURE FOR FY23

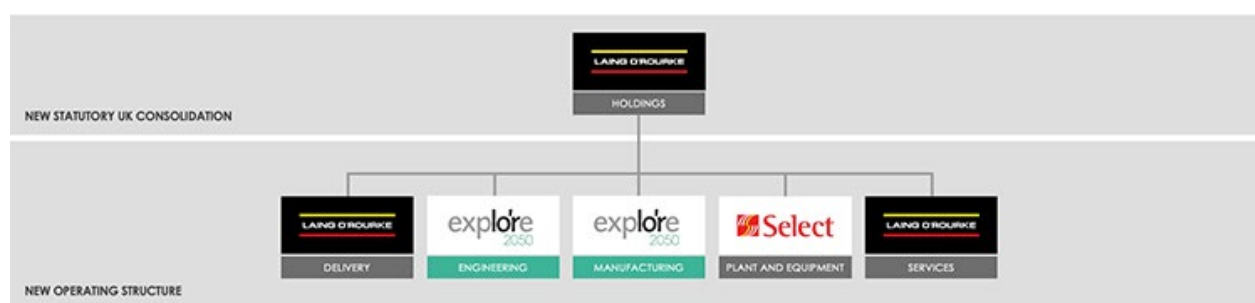
We completed a streamlining of our corporate structure on 1 April 2022 to create a single, consolidated UK trading group to reduce the number of legal entities, including the number of Reporting Entities, in the UK group.

The changes create a new long-term structure for the business' UK operations, reducing administration costs and enhancing financial reporting to stakeholders.

The consolidated UK trading group now comprises five operating entities (see fig 1):

- **Laing O'Rourke Delivery Limited**, which comprises the Buildings and Infrastructure trading businesses formerly under Laing O'Rourke Construction Limited;
- **Explore 2050 Engineering Limited**, comprised of Expanded Limited, the specialist civils and structures business, and Crown House Technologies Limited, the specialist MEP business;
- **Explore 2050 Manufacturing Limited**, which will include Laing O'Rourke's two UK manufacturing facilities – Explore Manufacturing Limited in Nottinghamshire and CHt Manufacturing Limited in the West Midlands – as well as geotechnical business Expanded Piling Limited, and specialist stone contractor Vetter Limited;
- **Select Plant Hire Limited** remains a standalone trading business for cranes, plant and equipment; and
- **Laing O'Rourke Services Limited**, made up of employment entities, as well as specialist digital design and recruitment businesses.

Fig 1: New corporate trading structure for FY23



3. OPERATIONS

We are an international engineering and construction company delivering state-of-the-art infrastructure and buildings projects for clients in the UK, Middle East and Australia.

We deliver certainty for our clients based on an operating model that harnesses new technologies to maximise the use of pioneering modern methods of construction.

We have our own in-house supply chain comprising specialist business, which also work independently for other companies. When we mobilise our fully integrated delivery team we work together to de-risk projects with clients, integrate design and manufacturing with logistics and accelerate construction on site. This reduces the risks associated with a traditional, fragmented approach to construction delivery and provides greater certainty to our clients.

Our highly-trained and committed people understand the challenges of modern construction, the stakeholders involved, and how to work collaboratively to deliver our clients' aims.

It remains our mission to be the construction sector's recognised leader for innovation and excellence by 2025.

With international operations spanning the United Kingdom, Middle East and Australia, our company 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.

More information about us can be found [here](#).

During the reporting period:

- 76 projects were in execution across the UK worth £11.3bn; and
- 19 projects were completed.

Some of our key project highlights during the reporting period were:

- The handover and opening of phase one of the transformed, retail-led St James Quarter in Edinburgh. Meanwhile in London, we handed over major rail infrastructure. The Northern line extension adds 2.5km to the underground system along with two new stations. Our rail teams also handed over two of the new Elizabeth line stations, Tottenham Court Road and Liverpool Street to Transport for London.

- The experience of the rail team continued with work starting during the reporting period for High Speed 2 on the refurbishment of Curzon Street, considered to be the world's oldest station building. Our Expanded business also secured work for HS2, with construction of a main station box at Old Oak Common starting. In the North West, our team began construction of Everton football club's new 52,888 capacity stadium.
- Project milestones were met at Tideway in the delivery of London's 'super-sewer' and at Hinkley Point C our nuclear team continued to make excellent progress towards delivering the project.
- The order book was strengthened with wins across a range of key sectors including an appointment to the Ministry of Justice's new prisons framework, as well as to the Procure 23 NHS construction framework, and separately on the central UK Government major projects framework.
- We secured our contract with clients Yoo Capital and Deutsche Finance International to redevelop London's Olympia, and a further contract to deliver phase 2 works to a data centre were secured during the period.
- Repeat clients awarded work to our teams, with Derwent London appointing us to deliver a third project for them – 19-35 Baker Street, a 10-storey commercial, retail and residential mixed-use scheme in London. The University of Oxford appointed our experienced education team to deliver a new Centre for the Humanities. It is the 12th project for a client we have worked with for two decades.

4. SUPPLY CHAIN

Laing O'Rourke typically sources products and services from suppliers which are broadly active in the construction, engineering, maintenance and corporate sectors.

The term 'supplier' is used to refer to any entity in our supply chain including consultants, subcontractors or other service providers. During the reporting period we spent more than £750 million purchasing products and services from more than 1000 direct suppliers.

Approximately 90% of our suppliers are based in the UK with the remaining 10% based overseas in mainland Europe.

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

Our top 5 supplier spend categories include:

1. Consultants such as architects, structural engineers, rail signalling and other designers;
2. Subcontractors such as excavation, civil, structural, asphalt, electrical and mechanical services and labour hire;
3. Suppliers such as ready-mix concrete, reinforcement, precast, rail, cable, rigging equipment, engineering products and general equipment;

4. Equipment Hire such as small tools, excavators, cranes and mobile elevated work platforms; and
5. IT and Corporate Services such as software and data products, communication devices, computers and hardware, insurance, legal, professional services and leases.

5. RISKS OF MODERN SLAVERY IN PRACTICES WITHIN OUR OPERATIONS AND SUPPLY CHAIN

During the reporting period we identified areas carrying the highest risk of modern slavery and human trafficking within our direct operations and within our supply chains. To make the assessment we considered the following four intersecting risk criteria:

- (i) vulnerable populations;
- (ii) high risk categories;
- (iii) high risk business models; and
- (iv) high risk geographies.

Long supply chains in construction mean that goods and services secured appropriately within the UK could still potentially present a high risk of modern slavery, and we have identified a range of potential risk areas that may be present in our operations and supply chains. These potential risk areas include:

- construction sites, which can involve many separate companies all working concurrently and all with their own supply chains. Each may include low-skilled workers who are especially vulnerable to modern slavery practices;
- commodities and materials used in construction projects such as steel, manufactured components, cement, aggregates, bricks, plant and equipment, cables and PPE. These may be manufactured using modern slavery practices as workers in these industries are often migrant populations, low paid and low skilled;
- procurement of high-risk subcontractors such as labour hire, cleaning and security. If not monitored closely, competitive tendering that rewards low price may increase the risk, especially where these workers are low skilled or from migrant backgrounds;
- technology where the raw materials required within items such as computers, phones and engineering instruments are manufactured in Asia and Southeast Asia, which are seen as being particularly high risk of forced labour with large numbers of workers being migrant workers; and
- service providers of design, drafting and other services. The risk in this area is that the service could exploit workers, including where these providers are located in higher risk geographies.

COVID 19

Many of the modern slavery risks 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 the frequency of cleaning and more intense hygiene measures to be provided on an urgent basis also brings with it risks of exploitation of workers in the supply chain.

Most of our projects continued to operate throughout the reporting period, albeit at a reduced capacity as and when necessary to adhere to UK Government and health authority guidelines.

A Covid-19 response committee was established and implemented a plan to mitigate the impact of the pandemic on our operations and ensure business continuity.

Covid-19 safety management plans were developed for construction sites and included the implementation of social distancing policies, split shifts with people working from home where possible. These protocols were applied to all supplier and contract personnel attending our owned or operated sites. In our offices, where the majority of roles allowed for home working, we complied with guidelines, carefully managing the number of staff whose roles could not accommodate working from home. Where a return to the workplace was introduced, appropriate social distancing measures were put in place and we have continued to utilise technologies that support a hybrid approach, both to ensure ongoing business operations and adapt to new ways of working.

While some of our projects were impacted by the pandemic, disruption to our supply chain was minimal.

6. ACTIONS TAKEN TO ASSESS AND ADDRESS THE RISKS, INCLUDING DUE DILIGENCE AND REMEDIATION PROCESS

Our modern slavery risk mitigation approach is underpinned by our Global Code of Conduct, strong supplier due diligence, procurement management and a robust corporate governance framework.

Doing the right thing: Our Global Code of Conduct

Our 2025 Mission to become the recognised leader for innovation and excellence in the construction industry requires us all to play an active role in supporting a culture that is founded on integrity and supported by ethical actions. Through the power of our experience we have built a reputation as a business that acts ethically and with integrity and in the best interests of the communities in which we operate.

Our Global Code of Conduct ("**Code**") clearly sets out the standards that we uphold as a business and our expectations for our people and supply chain partners. We require anyone acting or working on our behalf including consultants, partners, affiliates, subcontractors and suppliers, to follow and uphold the intent of the standards set out in the Code.

To ensure that our people understand and are aligned with the expectations set out in the Code, all employees are required to complete an eLearning course and Code of Conduct pledge as part of their onboarding process and each year. This course ensures that all our people are fully aware of the ethical standards expected by us. We have also run a series of classroom based training for key managers and supervisors on project sites to ensure they know how to identify and respond effectively to modern slavery risks.

Workers on our project sites 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 the site level. We provide our staff with the knowledge and confidence to call out others who may not be meeting the ethical standards set out in the Code.

Any breaches or non-adherence to the Code may be raised or reported on our dedicated confidential whistle-blowing hotline, which is independently run with trained operators and is available 24/7. There is also the option to file a report online at <https://www.safecall.co.uk/report/>.

Our Global Code of Conduct can be read in full on our [website](#).

Supplier due diligence

In order for a supplier to work on one of our projects they must first become accredited via our internal screening processes. This involves the supplier completing a due diligence questionnaire to determine whether they have adequate policies, processes and procedures in place. As part of this process, we review our suppliers' policies ensuring that they are aligned with our own. Where our suppliers do not have a policy of their own, we ensure they agree to abide by our Code of Conduct.

We carry out due diligence on every supplier to ensure that they meet our business integrity standards. This includes screening right up to ultimate beneficial owners where checks are made for bribery, corruption, sanctions, money laundering, fraud, competition and modern slavery.

We also undertake supply chain scoring where the performance of our suppliers is 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 most important and influential suppliers, our 'Key Supplier Programme' ensures that business to business relationships are maintained at a high level. These relationships provide us with a significant ability to drive alignment and improvement in managing modern slavery risks in our supply chain.

Procurement management

We have reviewed and updated our temporary labour hire engagement practices and our standard Temporary Labour Hire Agreement includes provisions requiring an undertaking to comply with modern slavery requirements.

We have reviewed our supply chain process and data capture for high risk materials and commodities. This will lead into a stream of work next financial year where we

will update our procurement process to further assure mitigation on modern slavery risk.

Corporate governance framework

We operate within an established and externally benchmarked corporate governance framework that is underpinned by our Mission and guiding principles set out in our Global Code of Conduct. A key function of our corporate governance framework is the identification, management and mitigation of operational and financial risks.

The Compliance Committees have included modern slavery as a core compliance area to be discussed and considered by senior management and modern slavery has also been added as a key policy area within our risk control review.

Policies and procedures

Laing O'Rourke established a Global Modern Slavery Working Group to support efforts to strengthen our approach to identifying and addressing the modern slavery risks in our operations and supply chain. This Working Group is focused specifically on our controls to prevent or mitigate modern slavery risks. The Working Group comprises senior representatives from Risk and Assurance, Procurement, People, Group Security, Corporate Communications and Legal across the Laing O'Rourke Group in Europe and Australia.

We have embedded a dedicated Modern Slavery Policy across the Laing O'Rourke Group.

Awareness and training

We have developed training on modern slavery and trained our people who manage modern slavery risks at the front line of our business. We will continue to deliver this training across our business over the next reporting period.

Additionally, we commenced the preparation of modern slavery awareness and response plan training to site-based employees to educate them on the risks, how to recognise the signs of modern slavery and how to respond.

We have also approved the design of modern slavery posters to be distributed to all projects in multiple high-risk languages.

7. EFFECTIVENESS OF THE ACTIONS

Our business has established the following mechanisms for considering the effectiveness of its actions to identify, assess and address risks of modern slavery:

- conduct of internal compliance audits 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;
- implementation of risk reporting processes that highlight any project-based risks to senior management;
- audit of our supplier due diligence process and assessments;

- monitoring the Safecall whistleblower hotline to ensure reports on complaints or suspicions are dealt with appropriately and our investigation process is followed;
- carrying out an annual supply chain analysis and review; and
- communicating with our workforce to further develop awareness and understanding of modern slavery risks.

8. LOOKING AHEAD

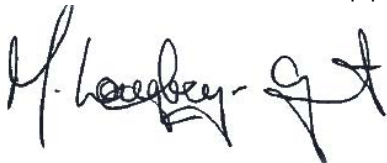
We continue to take a multi-year approach to strengthening our response to modern slavery risks in our operations and supply chains. Our Global Modern Slavery Working Group will develop modern slavery-specific controls and the improvements in the next reporting period will include:

- awareness and response plan training to site-based employees;
- the display of multi-lingual on-site posters for awareness raising among the workforce;
- distribution and display of our Code of Conduct posters to all site locations including the contact details of our Safecall multi-lingual whistleblower hotline;
- mandatory Code of Conduct training and pledge certification to all employees;
- modern slavery clauses to be inserted into our standard supply chain agreements; and
- the development of key performance indicators.

9. RESPONSIBILITY AND COMPLIANCE

Laing O'Rourke's European Executive Committee has overall responsibility for this statement and for ensuring that all policies and procedures under this statement are aligned and complied with.

This statement has been approved by the Board of Laing O'Rourke plc.



Madeleine Loughrey-Grant

Group Director, Legal, Governance and Sustainability

31 August 2022

[1] Relevant subsidiaries in scope of the Act's disclosure requirement are as follows: Explore Manufacturing Limited; Select Plant Hire Co Ltd; Expanded Limited; Laing O'Rourke Construction Ltd; Laing O'Rourke Services Ltd and Crown House Technologies Ltd.