

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR FINANCIAL YEAR 1 APRIL 2022 to 31 MARCH 2023

Laing O'Rourke is committed to upholding the human rights of all those who work with us and for us ensuring that they can 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 2022 to 31 March 2023 ('**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 arrangements.

2. 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 businesses, that 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:

- 96 projects were in execution across the UK worth £14.4bn; and
- 14 projects were completed.

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

- The handover of two new hospitals. In Merseyside, the new Royal Liverpool University Hospital was handed over in July 2022 with patients welcomed in October. Meanwhile in Brighton, the new Louisa Martindale Building, phase 1 was handed over in January 2023.
- The much-anticipated Elizabeth line opened to passengers in May 2022. The milestone was celebrated by our teams who were directly involved in the delivery of four out of the ten new Crossrail stations. Further work in the rail sector was secured when HS2 appointed us to deliver their new Interchange Station in Solihull; meanwhile our teams continue to deliver enabling works for HS2 in addition to Expanded's ongoing construction of Old Oak Common.
- In February 2023 we were appointed by the UK's Crown Commercial Service as a framework partner to its new offsite construction agreement.
- In April 2022, the orderbook was bolstered when we signed the main contract to deliver Everton's new 52,888 seat stadium in Liverpool and at the University of Oxford, main construction of the Stephen A. Schwarzman Centre for the Humanities was marked in November 2022.

3. SUPPLY CHAIN

Laing O'Rourke typically sources products and services from suppliers that 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 £1 billion purchasing products and services from more than 2,800 direct suppliers.

Approximately 99% of our suppliers are based in the UK with the remaining 1% 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 five supplier spend categories include:

1. Consultants such as architects, structural engineers, MEP engineers and other designers;
2. Subcontractors such as civils, structural, envelope, electrical and mechanical services and labour hire;
3. Suppliers such as ready-mix concrete, reinforcement, precast, waste removal, cable and general materials / accessories;

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, hardware and professional services.

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

During the reporting period we have commenced the process of identifying the 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 for 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.

5. 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 thereafter. This course ensures that all our people are fully aware of the ethical standards expected by us.

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 continually review and update 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, and as part of the Modern Slavery Working Group, we have established workstreams to conduct Modern Slavery Risk Assessments across all categories of our Tier 1 supply chain.

This begins with identifying the highest risk categories and sub-categories of goods/products/materials in our supply chain with focus on materials and components used in products and their countries of origin.

We also started engaging with the identified high-risk members of the supply chain through focused questionnaires and dialogue to identify potential issues and provide us with an understanding of the measures that are already in place and where focus is required for improvement.

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

Our Modern Slavery Working Group continues 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 meets bi-weekly and comprises senior representatives from our compliance, corporate affairs, legal, people, procurement, security, sustainability and workforce functions across the UK and Middle East.

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

Awareness and training

We have developed modern slavery awareness and response training, and over the next reporting period will continue to deliver this across our business to site-based employees and high-risk modern slavery suppliers.

We have also distributed new modern slavery posters to all project sites in multiple high-risk languages.

6. 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:

- conducting internal compliance audits every six months, with reporting to the Audit & Risk Committee
- the Compliance Committee reviews relevant policies and ensures that modern slavery controls operate appropriately within the compliance workstream;
- implementation of risk reporting processes that highlight any project-based risks to senior management;
- monitoring the Safecall whistleblower hotline to ensure reports on complaints or suspicions are dealt with appropriately and our investigation process is followed;
- undertaking compliance and due diligence checks on each member of the supply chain when they are appointed to a specific project. Performance scoring is also carried out quarterly for each award; and
- communicating with our workforce to further develop awareness and understanding of modern slavery risks.

7. LOOKING AHEAD

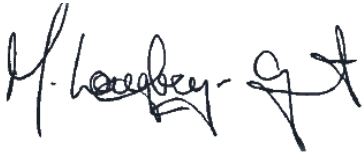
We continue to take a multi-year approach to strengthening our response to modern slavery risks in our operations and supply chains. Improvements in the next reporting period will include:

- awareness and response plan training to site-based employees and high-risk modern slavery suppliers;
- mandatory Modern Slavery eLearning for all staff;
- engaging an external provider to conduct a series of onsite project ethical audits during which a significant proportion of both direct Laing O'Rourke and supply chain operatives will be interviewed face to face with the objective of identifying any risks of forced labour; and
- the development of key performance indicators.

8. 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.

A handwritten signature in black ink, appearing to read 'M. Loughrey-Grant', with a stylized flourish at the end.

Madeleine Loughrey-Grant
Group Director, Legal and Sustainability
18 July 2023

[1] Relevant subsidiaries in scope of the Act's disclosure requirement are as follows: Explore 2050 Manufacturing Limited; Select Plant Hire Company Limited; Explore 2050 Engineering Limited; Laing O'Rourke Delivery Limited; Laing O'Rourke Services Limited and Crown House Technologies Limited.