



# PROJECT CERES

**Social Impact  
Performance Report**

**January 2025**



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## PROJECT OVERVIEW

**This is the second in a series of Social Impact Performance Reports that tracks the performance of the Saipem Clough Joint Venture (SCJV) in meeting its management and mitigation commitments to limit the social impact associated with the Construction of Project Ceres.**

Project Ceres is the construction of Perdaman's urea plant which will be the first in Western Australia and once built, it will be the biggest modularised urea plant in Australia.

The urea plant will be constructed and operated in the Burrup Strategic Industrial Area, approximately 10km from Dampier and 20km northwest of Karratha on the north-west coastline of Western Australia. The Project's construction and operation workforce will primarily be accommodated in the Karratha township, with a smaller percentage sourced from nearby communities.

The Burrup Strategic Industrial Area is near the Murujuga National Park, which covers an area of 4,913ha on the Burrup Peninsula. The area hosts one of the largest concentrations of ancient Aboriginal rock art in the world. The Project is applying effective management strategies that minimise actual or potential impacts on the environment, heritage, and cultural values of the area.

Once completed, Perdaman will join the Woodside operated North West Shelf Venture Project, Woodside's Pluto LNG Plant, Yara Fertilisers (Ammonia) Plant, Yara Pilbara Nitrates and supporting services including the Dampier Port and Toll Logistics Hub.

The Project infrastructure, including the main production facility (urea plant), administration, maintenance and storage infrastructure, conveyor and port storage, and ship loading facilities, are situated within the Burrup Strategic Industrial Area.

The estate's proximity to gas, port and other key infrastructure makes it an ideal location for the Project.

Project Ceres involves piping natural gas from the nearby Woodside operated LNG facility to the Project site. Natural gas is converted to urea and the final granulated product is transported by closed conveyor to the Dampier Port. New port facilities will include an enclosed storage shed and ship loading facilities.

**The Project value is**

**AUD \$6.4B**

**When completed, the plant will be one of the largest urea plants in the world.**

**The urea plant will produce**

**2.139 million tonnes**

**of urea per annum and**

**100%**

**of this production has already been allocated.**

**The plant will operate at**

**80%**

**lower CO2 emissions when compared to coal-fed nitrogen fertiliser production.**



## PROJECT STATUS

**2024 has been an incredibly productive year for the Project. We have successfully completed the bulk earthworks, finished the causeway, initiated module fabrication, and made significant progress in concrete and underground services. We acknowledge the dedicated partnerships and sub-contractor teams working with us on the Project for their commitment to safety and excellence that has brought us to this point.**

Looking ahead, we anticipate a dramatic transformation in the Project landscape. Early in 2025, The Project will begin receiving modules from the fabrication yard, along with large pieces of pipe, equipment, steel, and vessels. The Project will commence the installation of the ammonia tank, cooling tower, and urea sheds, as well as start work on the conveyor and port areas. These upcoming phases will be impressive in scale, even for those experienced in mega-projects, and will keep the material warehouse and laydown yards bustling with activity throughout 2025.

As we move into 2025, the Project will see an increase in our workforce numbers in both Karratha and the fabrication yard, with Projections indicating nearly a doubling of personnel in the first half of the year. We warmly welcome new team members and continue to foster the strong culture of safety, environment, and quality that has been a cornerstone of our Project's success.

A truly global project that is being supported by technical experts in Milan, Italy; Chennai, India; and Perth, Australia. These experts are responsible for various aspects of the design, development, and construction. The Project is on schedule, with a strong commitment to safety, ongoing community engagement, and sustainability.

Construction of the plant modules in Larsen and Toubro's fabrication yard in India is well progressed, with the first module scheduled for delivery at Dampier Port in early 2025. To enable the delivery of the modules from the port to the site a large, disused, and contaminated shed at the port was demolished by the Project, with the area remediated and the land returned to the Pilbara Port Authority to safely enable the future expansion of port facilities.

In the third quarter of 2024, Clough and Saipem made a strategic investment in the construction of a major extension of the existing Best Western Plus Ranges, expanding the site by 1,280 rooms. The development will accommodate the Project's FIFO construction workforce while allowing for multiple future uses. Local businesses, visitors and the community will continue to benefit from this legacy project long after the construction has been completed. Built to higher hotel specifications, the Project will use the Best Western Plus Ranges as its primary worker accommodation from early 2025.

Independent of the Saipem Clough Joint Venture's commitment to managing its social impact, the Project is securing \$200,000 of funding from the joint venture partners to fund local community initiatives. The details of the programme are being finalised and we expect the first investments to be made in early 2025.

The Project has reached the 39% completion mark.

Approximately \$200M in contracts have been awarded to Pilbara based companies.

Perdaman has announced the commencement of construction of the first of 100 local houses for its operational workforce.

Over 2.7 million Project work hours have been delivered with no Lost Time Injury.

## POTENTIAL SOCIAL IMPACT AREAS OVERVIEW

Forty-two social impacts were identified in the Social Impact Assessment and classified under one of the following eight impact areas. In the pages that follow, the Project performance in managing these potential impacts have been summarised under the following headings:

In some instances, potential impacts and human rights risks have been summarised to improve accessibility and readability. Care has been taken to ensure the intent of the impact or risk has been captured in the summary.



Community

Including composition, cohesion, character, how the community functions, resilience, and people's sense of place.



Livelihoods

Including people's capacity to sustain themselves through employment or business.



Way of Life

Including how people live, how they get around, how they work, how they play, and how they interact each day.



Culture

Both Aboriginal and non-Aboriginal, including shared beliefs, customs, practices, obligations, values and stories, and connections to Country, land, waterways, places, and buildings.



Surroundings

Including ecosystem services such as shade, pollution control, erosion control, public safety and security, access to and use of the natural and built environment, and aesthetic value and amenity.



Health and Wellbeing

Including physical and mental health especially for people vulnerable to social exclusion or substantial change, psychological stress resulting from financial or other pressures, access to open space and effects on public health.



Accessibility

Including how people access and use infrastructure, services, and facilities, whether provided by a public, private, or not-for-profit organisation.



Decision making System

Including the extent to which people can have a say in decisions that affect their lives, and have access to complain.

# COMMUNITY

Composition, cohesion, character, how the community functions, resilience, and people's sense of place.

## Potential Impacts

- Social and racial tolerance is undermined by conflict over inequitable distribution of the economic benefits of the Project.
- Conflict between supporters of the Project and those opposed to it creates division within the local community.
- Workforce does not respect multicultural elements of the local community.
- Exploitative sexual relationships develop within the workers' camp and between construction workers and members of the local community.
- Workforce creates concerns in the town in relation to public intoxication, sexual assault, and harassment.
- Demand generated by Project workforce results in an increase in illicit drug availability and use in the community.



## Management & Mitigation

## Project Response

- A Community and Stakeholder Engagement Manager, along with an Indigenous & Heritage Manager, actively engages with the community and Project stakeholders. To enhance accessibility, the Project has opened a shop front in Karratha's CBD.
- All Project personnel (100%) have completed the Murujuga Aboriginal Corporation's online cultural awareness training program, and the Project has secured a three-year license to maintain ongoing access to this training. Furthermore, every staff member has signed the code of conduct/ethics and completed mandatory cultural awareness training before commencing work on-site.
- To address gender disparities in the traditionally male-dominated construction industry, women now comprise 18% of the Project workforce, surpassing the industry average of 14%.
- In May, the Project participated in the Karratha reconciliation walk to promote reconciliation and a NAIDOC Luncheon in July, featuring a Welcome to Country, traditional roo-tail stew, and damper prepared by Elders. Clinton Walker provided a cultural talk covering heritage, Murujuga, rock art, and dreamtime stories, along with showcasing traditional artifacts.
- An assessment of an anti-sexual harassment online training course is in progress, and all site-based personnel will complete this training upon rollout which will also become part of the induction process.
- Alcohol testing occurs at daily pre-start meetings, complemented by random drug testing, with a self-testing alcohol unit installed in worker camps.

# LIVELIHOODS

People's capacity to sustain themselves through employment or business.

## Potential Impacts

- The Project fails to deliver indirect local employment opportunities through the purchasing of local services and goods or workforce spending on local goods and services.
- Modern Slavery in the international supply chain.
- Local employment opportunities on the Project add to an overheated local labour market and local business are unable to compete for staff.
- Adverse mental health impacts on fly-in-fly-out (FIFO) workers and their families.



## Management & Mitigation

## Project Response

- Eighty percent of the Project's identified procurement needs are being met through supplier agreements. Following "meet the buyer" events held earlier in 2024, the Project team continues to engage with local companies to explore existing and future supply opportunities.
- Local businesses responding to tenders receive priority in the assessment process, including pricing adjustments to ensure equity between local and non-local businesses. Unsuccessful tenderers are given feedback on their proposals.
- The Project aims to allocate 8% of its Pilbara-based expenditure to purchasing goods and services from Indigenous-owned companies. By the end of December 2024, the Project had spent \$20 million with Indigenous businesses, on target to meet the Projects total Indigenous spend.
- Approximately 92% of the Project's workforce has been sourced from outside the Pilbara region, with Indigenous employees constituting a significant portion of the locally sourced personnel.
- \$200 million worth of work packages have been allocated to local businesses for goods and services, including accommodation, earthworks, construction consumables, plant hire, batching, and waste management.
- All potential and current domestic and international suppliers must provide documentation to uphold the Project's commitment to preventing modern slavery in the supply chain. Furthermore, all procurement and supply chain staff have completed online training in modern slavery awareness.
- Changes to rosters aimed at enhancing workforce wellbeing have eliminated the Karratha-based RDO for the white-collar workforce, further reducing local facility demand while providing additional home-based recreation and family time for the FIFO workforce. Additionally, 100% of site-based personnel have completed Mates in Construction training, with further mental health training provided to site-based mental health connectors. Safety and HR representatives have also received advanced training in mental health first aid.

## WAY OF LIFE

How people live, how they get around, how they work, how they play, and how they interact each day.

### Potential Impacts

- Indigenous employees are over-represented in roles that are low in status and relatively low in pay.
- Insufficient Indigenous workers to meet Project employment targets due to competition and work readiness results in Project not meeting employment targets.
- The Project's employment conditions have the unintended effect of precluding the employment of Indigenous people.
- Construction workforce increases the recreational fishing effort leading to a reduction in the local catch.



### Management & Mitigation

### Project Response

- The Project's procurement personnel have engaged local Indigenous-owned businesses for various services, including Traditional Owner engagement, fencing, security, and transport. Additionally, work shirts featuring Indigenous-designed artwork have been purchased to foster an inclusive workplace for Indigenous employees.
- Support services for Indigenous employees are provided by Ashburton Aboriginal Corporation, Maxima Employment, Clontarf Academy and the Stars Foundation. This is further enhanced by an informal mentoring program led by senior Aboriginal staff and a yarning circle focused on promoting a community of practice around Indigenous employment and retention.
- During the first 90 days of employment, Indigenous employees are encouraged to participate in career mapping linked to an annual professional development plan. The Joint Venture's Indigenous workforce accounted for 6.2% of total hours worked over the six months prior to December, with the total Project Indigenous workforce at 2.45%, including subcontractors. The Project aims for a target of 3%, and efforts are underway to work with subcontractors to improve record-keeping and reporting.
- Currently, there is insufficient demand for fishing charters among Project personnel. Adjustments to rosters for workforce wellbeing have removed the Karratha-based RDO for white-collar staff, reducing local facility demand while enhancing home-based recreation and family time for FIFO workers.



# CULTURE

Aboriginal and non-Aboriginal, including shared beliefs, customs, practices, obligations, values and stories, and connections to Country, land, waterways, places, and buildings.

## Potential Impacts

- Loss of habitats and species of ethno-biological significance.
- Introduction of weed species adversely impacts habitats and species of cultural significance.
- Significant aspects of Indigenous and natural heritage are lost in the Burrup Strategic Industrial Area.
- Impacts to areas of known Indigenous heritage including the song line that extends down the coast and includes Deep Gorge. Cultural practices in relation to maintaining the song line are affected.
- Damage to cultural and environmental heritage sites by construction workers during time off.



## Project Response

- The Project is expected to clear less than the area specified in the Environmental Approvals MS1180. During early engagement with Traditional Owners, several medium and high-risk heritage areas were identified. Traditional Owners were invited to observe clearing and grubbing activities to ensure compliance with agreements and cultural practices.
- Although monitoring activities by Traditional Owners have concluded, access arrangements remain in place for them to visit heritage areas on-site. The site has been fenced and cleared, with weed surveys conducted every two years. Early studies indicated that the site was impacted by weeds, and all vegetation was managed accordingly. There have been no reports of new introduced weeds or declared pests on-site to date.
- The Project is awaiting air quality criteria from the Murujuga Rock Art Monitoring Program which will inform the Air Quality Management Plan targets and limits.
- Regular meetings with Traditional Owners, senior Project personnel, and Perdaman representatives are scheduled, including quarterly Aboriginal Heritage and Liaison Dispute Resolution Meetings and a monthly Liaison Meeting. The Project maintains a register of engagement activities with Traditional Owners.
- The Light Management Plan, which includes light modelling, has been updated and is being prepared for regulatory approval. It incorporates best practices and dark sky principles.
- A Cultural Heritage Management Plan has been developed and approved by the EPA with endorsement from the Murujuga Aboriginal Corporation to ensure the ongoing protection of Aboriginal heritage sites.

## SURROUNDINGS

Ecosystem services such as shade, pollution control, erosion control, public safety and security, access to and use of the natural and built environment, and aesthetic value and amenity.

### Potential Impacts

- Additional carbon emissions have a cumulative impact towards higher temperatures and more frequent and extreme weather events impacting the liveability of Karratha and Dampier.
- The Project's carbon footprint adversely impacts State and Australia wide carbon reduction efforts.
- Land transport results in increased roadkill detracting from the tourist experience and local amenity.
- Dust plumes result from land clearing, vegetation disturbance, and vehicle movements impacting health and heritage.



### Management & Mitigation

### Project Response

- Investigations into further reductions in carbon emissions are underway, alongside a commitment to construct a 3.5MW solar power plant to decrease gas consumption during operations.
- A feasibility study is also in progress to enhance solar power generation and significantly decarbonise plant operations, including increase solar power plant output to 5MW.
- The management of roadkill is tracked using the online Fauna Interaction Register, with no recorded fauna fatalities on local roads associated with the Project. Project-based fauna handlers conduct daily inspections of local roads used by the Project.
- Despite limited water availability for dust suppression on the Burrup Peninsula, several water carts are in operation to assist with dust control, and dust monitors are strategically positioned throughout the site. The Project has installed pM2.5 and pM10 dust monitors to track dust levels, with no exceedance of local ambient air quality targets reported.
- The first Environmental Performance Report for the Project is due in December 2027 and will encompass emissions and environmental impact management. In late 2024, the Department of Water and Environmental Regulation conducted a comprehensive audit of the Project and found no significant deficiencies in the Project's environmental management systems.

## HEALTH AND WELLBEING

Physical and mental health especially for people vulnerable to social exclusion or substantial change, psychological stress resulting from financial or other pressures, access to open space and effects on public health.

### Potential Impacts

- Project use of health infrastructure crowds out other users exacerbating existing capacity constraints.
- The Project leads to an increased risk of the spread of communicable pathogens in the community.
- Project traffic on local roads and routes increases vehicle accidents, including those involving heavy Project vehicles.
- High levels of Indigenous disadvantage are exacerbated by increased wealth disparity between Indigenous and non-Indigenous communities.



### Management & Mitigation

### Project Response

- In February 2024, a paramedic, fully equipped ambulance, and treatment room were established. An additional Emergency Officer will be recruited in early 2025, increasing health staffing to one Paramedic and two Emergency Officers.
- A 24/7 telehealth service and associated medical facilities support the site-based workforce.
- The Project continually reviews infection control requirements based on guidelines from the World Health Organisation and the WA Department of Health, with an audit of infection control procedures scheduled for early 2025.
- Workers are transported using buses supplied by a local Indigenous-owned bus charter company, and the Project has also employed its own drivers and purchased buses.
- Traffic management and signage have been implemented to manage the new Hearson Cove Road and Causeway intersection.
- Ashburton Aboriginal Corporation and Maxima Employment provide support services for Indigenous employees, supplemented by an informal mentoring program led by senior Aboriginal staff and a yarning circle aimed at fostering Indigenous employment and retention.
- Apprenticeships and traineeships have been identified which will be supported by a New Entrant Program that will commence in 2025.

# ACCESSIBILITY

How people access and use infrastructure, services, and facilities, whether provided by a public, private, or not-for-profit organisation.

## Potential Impacts

- Waste from the workers' camp, construction site and operating plant adversely impacts on the health of the local population and environment.
- The design of the Project's emergency facilities and services prevent or discourage a coordinated response being mounted with local emergency service providers.
- Local emergency resources are diverted from protecting community assets to protecting Project assets.
- Use of the roads, airport, taxi, and port facilities degrade the standard of existing infrastructure and service provision to the point where it negatively impacts other users.
- The Project's road transport generates unsustainable demand on existing local car parking facilities.
- Project demand for airline seats (with no corresponding increase in flights) raises ticket costs to a level that impacts the local industry and tourism sector.
- Construction works interfere with the movement of local and tourist traffic to Hearsons Cove for Stairway-to-the-Moon events.



### Management & Mitigation

## Project Response

- All subcontractors, including waste management subcontractors, are required to comply with applicable state regulations and local by-laws. A waste management contract has been established with North West Alliance for the removal and management of waste. Where feasible, materials are reused or recycled, including crushing excess concrete on-site for use as fill and recycling steel from the demolished Dampier Port shed.
- The Project participates in the Burrup Industry Emergency Management Committee and has engaged in emergency response exercises with the Local Emergency Management Committee. An evacuation plan and emergency response procedure are in place and included in the site induction for all personnel.
- A fully resourced ambulance and fire service are available to support Project-related incidents.
- Modifications to common-use infrastructure by Main Roads WA, including Burrup Road at the corner of King Bay Road and Mof Road, are either completed or underway.
- Workers are transported using buses supplied by a local Indigenous-owned bus charter company. The Project also employs its drivers and has purchased buses.
- The first charter flight for the Project was utilised in December 2024. Spare capacity on these charter flights can be shared with regular fare-paying passengers and is managed by the airline. As the Project continues to expand its workforce, more seats will be available for the public, but this spare capacity will decrease as workforce numbers increase.
- The causeway crossing Hearsons Cove Road, was opened in August 2024. To ensure safe passage for large trucks traffic management measures have been implemented.

# ACCESSIBILITY

How people access and use infrastructure, services, and facilities, whether provided by a public, private, or not-for-profit organisation.

## Potential Impacts

- Construction traffic leads to congestion that requires road modification and temporary traffic management.
- Closure and redirection of local roads and paths creates inconvenience and confusion for local road and path users.
- Transport movements are not communicated to residents, commercial tenants, and other road users.
- Competition for workers' camp accommodation and housing crowds out local population.
- Additional pressure is applied to sporting and recreational facilities in Karratha and Dampier.
- Workers and Project related visitors place additional demands on tourism accommodation particularly during the tourism season.



### Management & Mitigation

## Project Response

- The delivery of plant modules to the site via Dampier Port is scheduled to commence in early 2025, with consultations with Burrup tenants ongoing to manage local traffic impacts during module deliveries.
- The Project has not significantly impacted road users, and communication has been limited to temporary signage in accordance with approved traffic management plans.
- Existing contracts with Civeo, Searipple, and Velocity worker camps will transition the workforce to the expanded Best Western Plus Ranges as the additional 1,280 rooms become available. All accommodation facilities offer in-house gym and pool amenities, along with accommodation options for couples working on the Project.
- Currently, the Project utilises a limited number of private rentals in Karratha, with the majority of the workforce housed in local worker camps. The Project does not utilise short-stay accommodation options or camping facilities in Karratha.
- Changes to rosters for workforce wellbeing have eliminated the Karratha-based RDO for the white-collar workforce, further alleviating demand on local sporting and recreational facilities.

## DECISION MAKING

The extent to which people can have a say in decisions that affect their lives and have access to complain.

### Potential Impacts

- Management of environmental, heritage, and health incidents is not open, transparent, or accountable to the community and government authorities results in loss of trust and social licence.
- Failure to adequately engage Traditional Owners on heritage and cultural related issues and incidents results in loss of trust and social licence.



### Project Response

- The Project has employed a Community and Stakeholder Engagement Manager and an Indigenous & Heritage Manager to facilitate engagement with the community and stakeholders. To improve accessibility, a shop front has been established in Karratha.
- Following the “meet the buyer” events hosted in February 2024, the Project team has provided local business owners with opportunities to learn about potential goods and services supply opportunities, as well as the vendor onboarding and prequalification process.
- A newsletter highlighting upcoming business opportunities was distributed to the endorsed Murujuga Aboriginal Corporation list of Indigenous-owned companies. Project procurement specialists also attended the Pilbara Indigenous Business Tradeshow in July.
- Meetings of the Perdaman Urea Liaison Stakeholder Committee (PULSC) were held in July and December 2024, providing a formal feedback process for local community feedback into the Project’s management of social impacts.

## HUMAN RIGHTS

Five recommendations were included in the Project's Human Rights Risk Review. These recommendations are summarised below.

### RECOMMENDATIONS

### PROJECT RESPONSE

**RECOMMENDATION 1:** Review of internal policy inventory to identify policy and procedural gaps related to the salient human rights risks.

**RECOMMENDATION 1:** Webuild/Clough and Saipem have existing Human Rights Policies that are available for viewing on their website. These policies are consistent with the Project's salient human rights risks. Perdaman is currently developing its Human Rights Policy.

**RECOMMENDATION 2:** All significant entities associated with the Project to assess if they meet the mandatory modern slavery reporting requirements.

**RECOMMENDATION 2:** All procurement and supply chain staff have completed online training in Modern Slavery Awareness. Webuild/ Clough and Saipem have Modern Slavery Statements available on their websites and Clough has previously lodged statements on the Modern Slavery Statements Register. Perdaman does not meet the mandatory reporting threshold and will prepare a statement prior to the commencement of operations.

**RECOMMENDATION 3:** Update the Community Engagement and Indigenous Participation Plan to reflect the International Association of Public Participation Quality Assurance Standards for Community and Stakeholder Engagement and commitment to managing Human Rights Risks and Social Impacts.

**RECOMMENDATION 3:** The Project's Community Engagement and Indigenous Participation Plan has been updated to reflect international engagement standards and independently audited.

**RECOMMENDATION 4:** The monitoring and reporting of the Project's human rights performance be integrated into the reporting and accountability mechanisms outlined in the Project's Social Impact Management Plan.

**RECOMMENDATION 4:** The Project's response to its human rights recommendations is captured in the Social Impact Performance Report (this document).

**RECOMMENDATION 5:** Perdaman and the SCJV undertake a review of its internal and external grievance policies.

**RECOMMENDATION 5:** A review of internal and external grievance policies is currently underway to check alignment against the United Nations Guiding Principles on Business and Human Rights.