



Strategy for sustainability

Environmental issues

Social issues

Economic issues



Kier is committed to sustainability

The Kier Group business, delivered locally, nationally and internationally through its five wide-ranging and integrated divisions, is centred broadly on the provision of the built environment for society at large. As such, the Group and its activities have a significant influence over, and potential impact upon, the economic, environmental and social well-being of the communities in which it operates. By recognising, addressing and embracing these issues as a fundamental part of maintaining a sustainable business today, Kier is committed to meeting its corporate responsibilities for the sake of future generations.

As a Group, as business divisions, as companies, as teams and as individuals, we can all make a tangible contribution to the delivery of the Kier corporate responsibility for sustainable development. This strategy document contains both the broad aspirations (aims) and commitments of the organisation towards sustainability in our business. It provides a framework within which each of us can identify ways, processes or systems by which we can play our part, no matter which sector or business stream we are engaged in.

Recognising the inherent importance of economic, environmental and social sustainability to our business, the Kier Board expects each of its businesses to adopt these core aspirations and commitments and to implement them as appropriate to their own operational sector. We will also encourage all our stakeholders, from our own staff to our suppliers and subcontractors, as well as our customers, to respect these ambitions. And we will endeavour to demonstrate to our existing and potential shareholders the value which we place upon sustainable development and our corporate responsibilities.

Kier is committed to sustainability as part of its overall vision and core values.



Paul Sheffield
Chief executive



Strategy for sustainability

Introduction

Our vision is to be the most highly respected company in the industry by providing our clients with the highest possible quality of service and through sustainable, profitable growth.

We will continue to build on our strengths and further develop our areas of expertise for the benefit of all associated with the Group and its activities.

Kier Group is committed to addressing sustainability through a responsible approach to economic, environmental and social issues.

Aims

1. To increase profitability by making more efficient use of resources, including labour, materials, water and energy.
2. To minimise, where we have responsibility or can influence the design on a project, any negative environmental impact of our operations through effective waste management, appropriate choice of materials and careful consideration of design.
3. To provide leadership and raise awareness of sustainability in our workforce, members of our supply chain, our clients and other stakeholders and to encourage participation in meeting our goals.
4. To continue to support local communities through opportunities for employment, interaction with schools, liaison and support for local wellbeing, contributing to local charities and voluntary organisations where appropriate.
5. To continue to develop and train all our employees to raise their aspirations and to meet the future demands of the business and individuals.
6. To achieve greater sustainability year on year. To this end each business unit will develop a strategy setting out objectives and targets against these aims.



Environmental issues

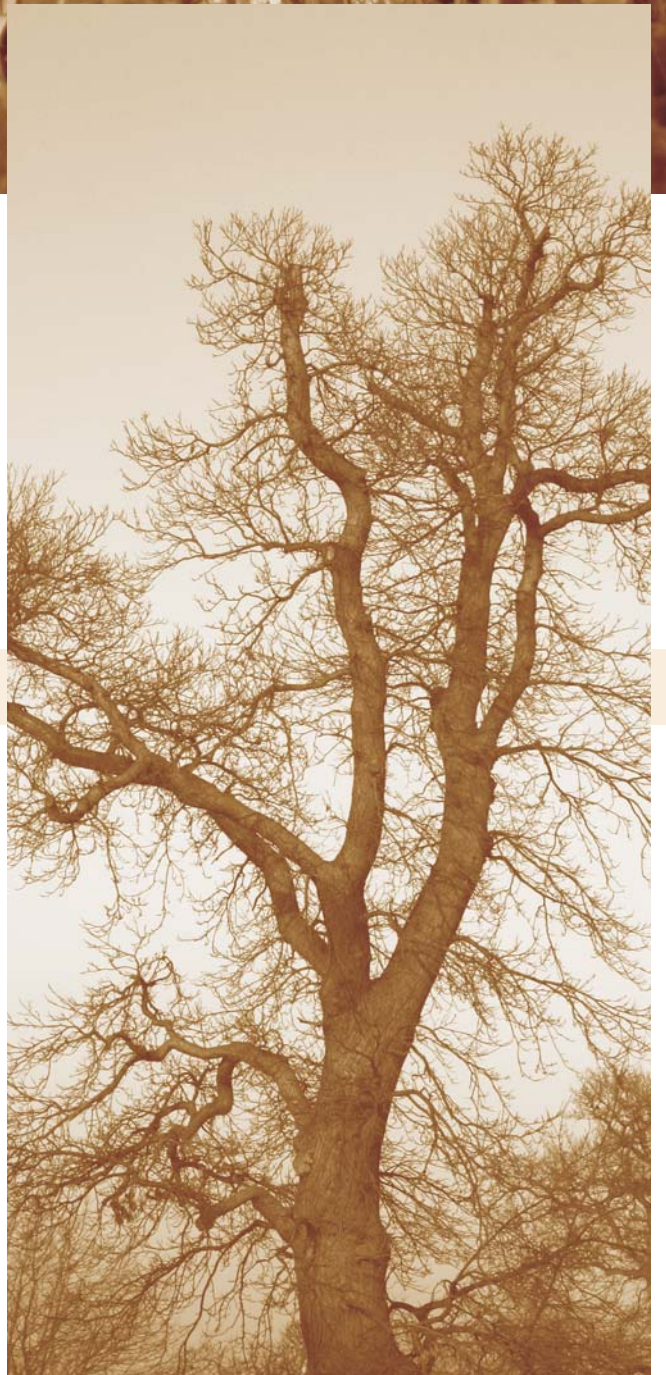
Introduction

Kier Group is committed to conducting its business in a manner that is both professional and ethical whilst paying particular attention to its environmental responsibilities.

These responsibilities will be discharged by implementing the following:

Aims

- The identification and then strict compliance with the letter and intent of all relevant legal and other requirements
- The organisation of our operations in order to minimise pollution and disturbance to our neighbours and the general public
- Protection of flora & fauna and their habitats at our offices and depots and on sites where we hold responsibility or can influence those that do
- The efficient use of materials and resources with particular regard to the long-term sustainability of consumable items
- Minimising the need to travel but where travel is unavoidable, consider the least environmentally damaging solutions
- The establishment and maintenance of management structures within our operating companies and divisions with specific responsibility for the implementation of environmental policy
- The establishment of targets to measure the continuous improvement in our environmental management systems and performance in key areas, including energy use, water usage and waste
- Regular management reviews of the content and implementation of the environmental policy with the objective of achieving continuous improvement in performance through the adoption of best practice, training and awareness.
- The introduction of environmental criteria to assess the commitment to sustainable procurement of our supply chain.



Commitment

We are committed to our environmental policy and improving performance. The policy will be implemented in all that we do via the aims stated in this document.

Individual operating companies have appointed directors responsible for the Environmental Policy. These directors monitor implementation and provide regular reports to the Kier Group Board.

The aims and objectives set out in this policy require full co-operation of our staff, our clients and all those with whom we interact.

Social issues

Introduction

Kier in the community

Kier Group and its trading companies aspire to build positive relationships within those communities wherever our operations take us.

We will seek to enhance these relationships by learning to understand the needs of these communities supporting projects which increase well-being within the community.

Aims

Our people

In order for our business to be sustainable, Kier Group will continue to attract, develop and retain employees of the calibre to deliver our vision as the most highly respected Group in our market place by:

- Being the employer of choice that attracts staff of the highest calibre
- Providing training and development to equip all employees to meet the future needs of the business and individuals
- Respecting our people and encouraging them to respect others
- Celebrating a diverse workforce
- Offering equal opportunities to all.

Training & development

Kier Group is committed to investing in the learning and development of all its employees (in accordance with the provisions of the Equal Opportunities Policy). It is the policy of the company to provide every employee with learning and development opportunities throughout his/her career to enable him/her to:

- Maintain and improve standards of performance in the current role
- Deal effectively with any changes in the work environment
- Develop capabilities to take advantage of future commercial opportunities
- Continue professional development.



In order to supply its business objectives, Kier Group will ensure that its employees develop technically with an understanding of the themes of customer focus, professionalism, safety, results-driven teamwork and continual improvement to ensure the Group's future success.

All employees will be given the opportunity to formally discuss their job performance, learning and development needs and career aspirations with their manager on at least an annual basis.

Commitment

We are committed to 'putting something back' as part of everything we do. We will:

- . Create training and job opportunities within those communities where we work
- . Be a good neighbour and support local charities and initiatives
- . Encourage wider employee participation
- . Use our influence to steer change for the better
- . Encourage and facilitate a positive work-life balance for our people.



Social issues cont'd...

Health, safety & welfare

We will continue to strive to be the Group that puts the 'health' back into health & safety and supports its staff with occupational health and lifestyle advice.

Aims

1. We will enhance our programme of improvement in occupational health and behavioural issues and continue to deliver health & safety standards that protect all who are engaged in or affected by our work, through a forward-thinking programme of training to achieve required levels of competence and the provision of safe working places.
2. We will build on our recent success in reducing the accident incident rates on our projects ahead of industry benchmark targets.
3. We will enhance our programme of continuous improvement of health, safety & welfare standards as an integral part of the management culture in our staff and throughout our supply chain.
4. We will continue our close working relationships with our supply chain to enable a structured approach towards the delivery of improved health, safety & welfare standards via design, awareness, competence and compliance to legal requirements and industry best practice.
5. We will endeavour to assess and where appropriate join/gain membership of relevant sustainability forums and organisations.



Economic issues

Introduction

Kier Group is a long-term business with firm foundations in place. We have consistently delivered strong growth since our buyout in 1992 and subsequent flotation in 1996. Based on our solid business model, we retain our ambition to provide further growth in turnover, profit and earnings/share into the future.

Aims

- Continue to be selective in choice of market and business opportunities
- Recognise and manage risk
- Work with our supply chain to provide consistent high-quality solutions at affordable cost
- Build relationships with clients to maximise project value, minimise cost and seek out repeat opportunities
- To further grow the business and continue to add value for our stakeholders
- Promote sustainability issues as critical elements in reducing whole-life costs.

Commitment

- We are committed to conducting an ethical business through transparency, professional corporate governance and socially responsible investment
- We are committed to providing our clients with the highest possible quality of service and to delivering sustainable, profitable growth
- We are determined to demonstrate our commitment to sustainable development to our investors, shareholders and other key stakeholders throughout the business.
- We are committed to living up to our core values and remaining focused on improvement and delivery as a means of realising our vision:

to be the most highly respected company in the industry.



Kier values

Be enthusiastic, open & honest

Be proactive, committed & safe

Be a team

Be KIER





Kier cares about its corporate responsibilities towards society, the environment and the economic sustainability of its business.

The Kier Group recognises that its short and long-term economic development can and should be achieved only through a responsible approach to social, environmental and ethical issues. Kier is also aware of the wider impact of its operations on the societies within which it operates. Therefore, Kier actively encourages all its companies, employees and supply chain partners to embrace and meet their individual social, environmental and ethical responsibilities while improving their business performance and customer focus.

This document is part of a restricted print run and we encourage all our contacts to view this document in electronic form, available on the Kier Group intranet or by visiting www.kier.co.uk/sustain.pdf

Kier Group plc
Tempsford Hall
Sandy
Bedfordshire SG19 2BD
Tel: 01767 640111
Fax: 01767 641710
www.kier.co.uk



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