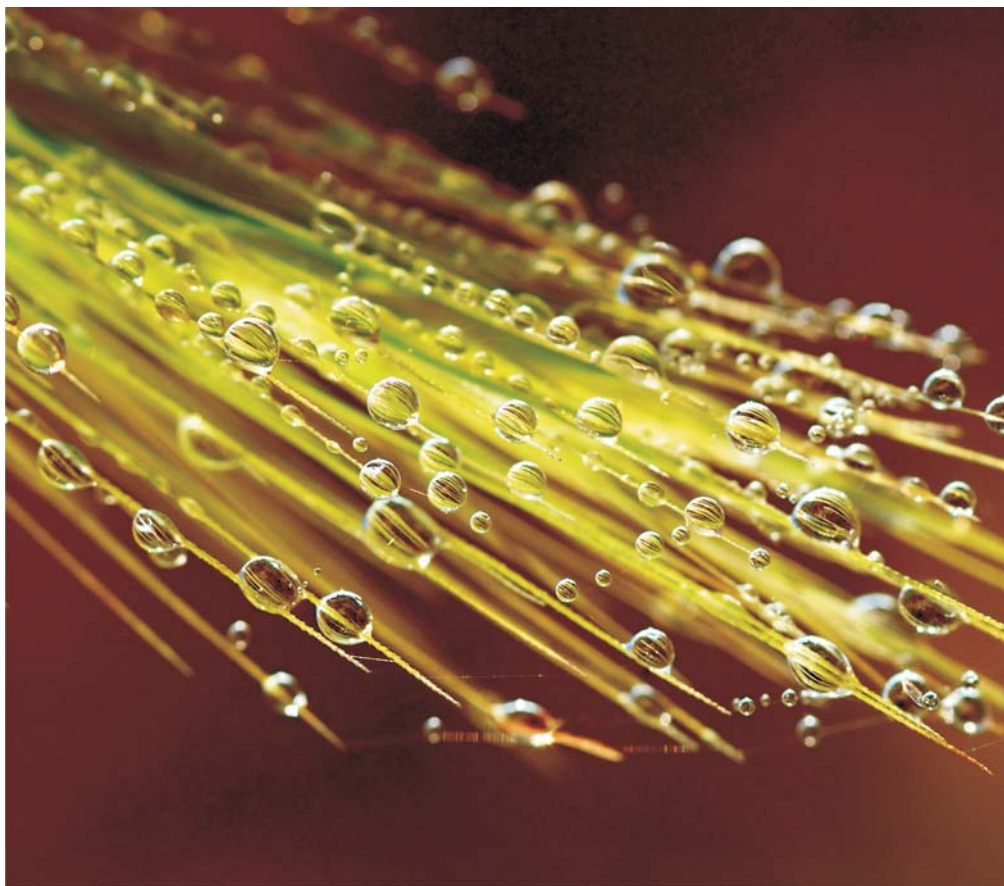


September 2009

Equality and diversity policy





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Kier Group plc

Kier Group recognises that its underlying success depends on recruiting and retaining the right people and encouraging them to reach their full potential.

Our equality of treatment fosters a culture of co-operation and mutual respect everywhere we work and underpins the high quality of our products and services.

Our companies recruit from the local and national communities in which they operate. To get the best candidates for our various businesses, we consider and recruit applicants from all sectors of the community and the diverse nature of our workforce is a direct reflection of this. We do however recognise the need for all employees to possess the levels of skill and knowledge appropriate to the roles they perform in delivering the quality of service our clients expect.

Statement of intent

Kier Group plc and its subsidiary companies (the companies) are equality and diversity employers. The company's policy is to ensure that all job applicants and employees are treated equally, regardless of gender, disability, race, colour, ethnic or national origin, sexual orientation, religion, marital status or age, and that they are not disadvantaged by conditions or requirements without justification.

The Group values the diverse nature of its people and seeks to manage any diversity issues which arise in a fair and sensitive manner.

John Dodds
Chief Executive
Kier Group

Core policy

In accordance with its statement of intent, the company commits itself to the following:

1. The Kier Group recognises that for it to be successful both now and in the future it needs to develop the potential and ability of all its employees to the full. In order for this to occur, all employees will be given equality of opportunity and encouragement to progress within the organisation.
2. All employees are asked to take responsibility for their personal involvement in the practical application of this policy.

To facilitate this:

- i. Copies of this policy document will be made available to employees throughout the organisation via KIERdoc and company notice boards.
- ii. Management development programmes will raise awareness of the company's equality and diversity policy as well as providing support to managers in promoting equality and diversity in the workforce.
- iii. All legal obligations under the Race Relations Act, Sex Discrimination Act, the Disability Discrimination Act and other legislation detailed on page 9 will be recognised.
- iv. This policy will be reviewed annually.
- v. Grievance procedures are provided for any employee who believes they have been treated unfairly or subjected to discrimination, harassment, bullying or victimisation. Issues can be raised through the grievance procedure in our employee handbook.
- vi. The disciplinary procedures in our employee handbook may be used where employees fail to observe their own responsibilities for this policy.
- vii. The company secretary at Tempsford Hall will assume the main responsibility for the implementation and revision of this policy.

Recruitment and selection

The intention of the company is to recruit the most suitable person for any position in a fair and non-discriminatory manner. It is essential that recruitment and selection procedures are based on objective criteria related to the needs of the job, and that such criteria are applied equally at all stages during the process to all applicants at all levels within the organisation.

Recruitment

Recruitment procedures:

- i. All advertisements should conform to the company standard. Recruitment and publicity literature will state that the company is an equality and diversity opportunities employer. If in doubt contact the HR department for advice and guidance.
- ii. Each role advertised should be accompanied by a full job description and person specification.
- iii. Vacancies should be publicised appropriately to as wide a range of suitable candidates as possible. Personal word of mouth recommendations should not be used as the sole method of recruitment. Applications from the local community should be encouraged by the company working with job centres, the local media and careers offices.
- iv. Employment agencies, where their use is required, should be made aware that the company is an equality and diversity employer.
- v. All job applicants are required to complete the company's application form. Equal opportunity information gathered at application stage should be stored anonymously on a central database for reporting purposes only. It should not be used to form part of the short-listing process under any circumstances; short-listing should be done by merit of application and by no other means. Disclosure of such information should be optional to candidates.
- vi. Should a candidate with a disability be invited to attend for interview, the company should make any reasonable adjustments necessary to facilitate their attendance.
- vii. The directors may, at their discretion, use professional search consultants if the appointment is of a senior or specialist nature, and where obtaining suitably qualified candidates by traditional recruitment methods is regarded as unlikely to secure the most talented candidates.

- viii. Reasons for rejection of all candidates should be recorded.
- ix. Any psychometric testing or examinations used as part of the recruitment process should be carried out by qualified personnel only.

Note: in exceptional circumstances some of our companies have recruited personnel directly from overseas for jobs in circumstances where there are skill shortages in the UK.

On overseas construction projects we aim to recruit employees with the necessary knowledge and skills from local communities wherever possible.

Selection

The following guidelines should be observed when short-listing and interviewing candidates:

- i. Short-listing criteria should be objective, based on those skills, experience and knowledge necessary to carry out the job. The requirement for formal academic or professional qualifications may be waived if candidates clearly demonstrate their suitability by other means. Willingness to undergo training should be taken into account.
- ii. Similarly, it should not be assumed that overseas degrees or diplomas are of a lower standard than their equivalents in the UK. If in doubt there are a number of agencies such as UCAS who are able to determine the level of equivalence of overseas qualifications.
- iii. Interview questions should be relevant to the job; care being taken to ensure that no assumptions are made or leading questions asked relating to personal circumstances and future plans. If job requirements are likely to affect a candidate's personal life (e.g. unsociable hours or travel arrangements), then the same questions regarding these should be asked of all applicants.
- iv. A company interview report form should be completed.
- v. Skills, knowledge, ability and competence will be the main criteria for selection and promotion.

Any interviewer should have had relevant training to ensure that they are familiar with these requirements.

Employee development and training

The company wishes to ensure that no employee is disadvantaged in the provision of appropriate training and development opportunities. The following procedures should be followed:

- i. All employees should be encouraged to participate in the annual performance review exercise, which will assess their current level of job performance as well as their training and career development needs.
- ii. All employees will have access to and be encouraged to take advantage of suitable training and development opportunities.
- iii. Decisions relating to career development should be based on objective criteria and be seen to be fair. The ability to meet the requirements of the position successfully should be the main criterion for promotion.

Training is provided in order to increase the knowledge and skills of employees and all training course materials and content will reflect the company's position as an equality and diversity employer. (See also the clause on Group training and development in our employee handbook).

Bullying and harassment

Bullying... "Aggressive behaviour arising from any deliberate or unintentional act that causes physical or psychological distress to others."

Harassment... "An unwanted behaviour which a person finds intimidating, embarrassing, humiliating or offensive."

The company seeks to embed a culture which eliminates bullying and harassment. All employees should treat others with the respect and dignity that they would expect for themselves. Bullying and harassment of others in any form will not be tolerated and will be dealt with under the company's disciplinary procedures. Bullying or harassment may be considered as acts of gross misconduct which can lead to dismissal.

Employees should read and adopt the procedures detailed under the section 'How to make a complaint' where they consider acts of bullying or harassment have taken place.

Victimisation

Victimisation occurs where an individual is subjected to less favourable treatment than others in the same circumstances. It is unlawful and contrary to this policy to victimise individuals who have made allegations or complaints of discrimination or provided information about such discrimination. Employees found guilty of victimisation or inducing others to discriminate in connection with their employment with the Kier Group, or intentionally failing to comply with this policy will be subject to the Company's disciplinary procedure. (See also the clause on the 'Right to dignity at work' in our employee handbook).

Human rights

The Group's business activities are pursued with respect for human rights. As such, we need to ensure and to demonstrate that we treat all employees and contractors fairly, legally, with respect and with dignity. It is not acceptable to abuse the human rights of either individuals or groups of individuals and the Group endeavours to operate in a manner consistent with the principles of the United Nations Universal Declaration of Human Rights and the core International Labour Organisation Convention areas (freedom of association, collective bargaining, non-discrimination, prohibition of child labour and of forced labour).

We will not participate in, contribute to or obtain information from any blacklist or other similar service which undermines these principles and as part of this obligation we will ensure that compliance with our Business Ethics Policy, as well as this Equality and Diversity Policy, will form part of the selection process for appointing subcontractors and other members of our supply chain.

Management responsibilities

This equality and diversity policy depends upon not just the commitment of employees, but also of all directors, managers and supervisors who will take a lead in implementing this policy and making themselves aware of what the law requires of them. Management is responsible for ensuring that the workplace is free of discrimination (including harassment, bullying and victimisation) and must take prompt action to resolve complaints and prevent any further recurrence.

Employee responsibilities

The company encourages all employees to take responsibility for their personal involvement in the practical application of this policy, and for creating a work environment which eliminates all forms of discrimination, bullying, harassment and victimisation.

Any employee found to have been creating an intimidating work environment in their working relations with others will be subject to the disciplinary procedures detailed in the employee handbook.

Monitoring

As part of the company's commitment to equality and diversity, monitoring will be carried out at the recruitment stage, and at subsequent regular intervals during the individual's career. The company application form includes sections which enable all applicants and employees to declare their ethnic origin and any disability they may have. Information from monitoring will assist with a system of management reporting which assesses the success of its equality and diversity policy, and the periodic reviews of this policy. In particular, the company will report on key measures which include gender composition of the workforce, age, ethnic origin and sexual orientation.

Information provided by job applicants and employees for monitoring purposes will be used only for these purposes and will be dealt with in accordance with the Data Protection Act 1998.

How to make a complaint

If any employee feels they have a grievance under this equality and diversity policy they are encouraged in the first instance to make the issue known to the employee responsible for the behaviour and request that it should cease. Employees may also seek the direction and guidance of their director/managing director, or member of the HR function in attempting to resolve matters in an informal manner. Make any concerns known to your director/member of the HR function as soon as possible.

Where it does not prove possible to reconcile issues informally, employees have the right to a formal hearing using the company's established grievance procedure. This procedure is set out in the employee handbook which is provided to all employees on commencement with the Group and is also displayed on notice boards. Additional copies can be obtained from the HR department.

Grievances linked to equality and diversity will be dealt with in the strictest confidence and will not prejudice the employee's current employment status or future career prospects. Vexatious allegations or a breach of this policy may however be considered a disciplinary offence.

Employee assistance helpline

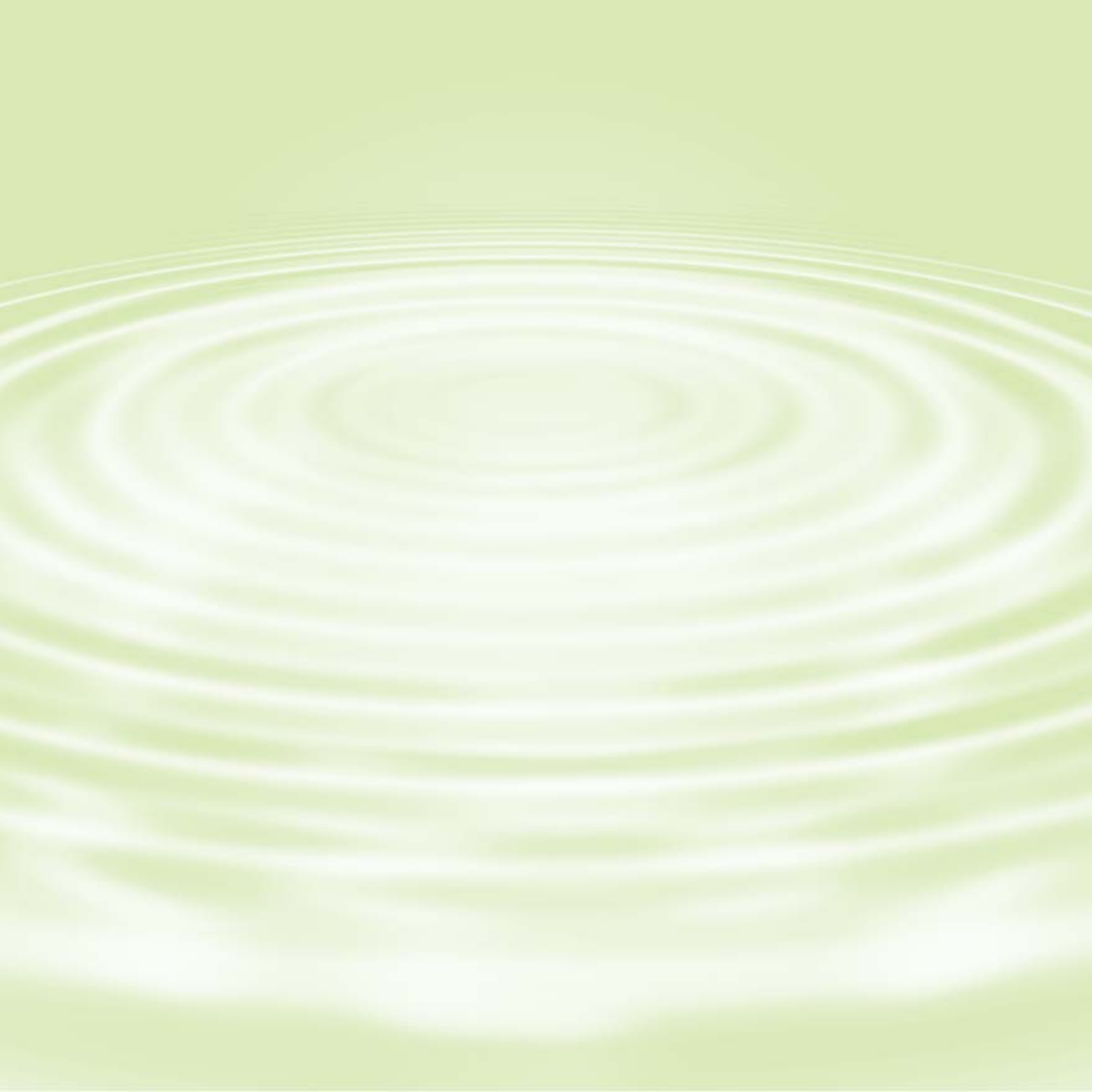
If an employee feels they have been harassed, bullied or discriminated against they may also wish to use the confidential helpline for information and support, where confidentiality can be guaranteed. The service operates 24 hours a day, 365 days a year. No information on any calls will be fed back to the company unless there is a serious risk of harm to yourself or others.

To use the service contact 0845 120 1421 and quote reference number 71601 at any time of the day or night.

Equality and the law

The following legislation provides further relevant information and guidance:

- Race Relations Act 1976 (as amended)
- Sex Discrimination Act 1975 (as amended)
- Disability Discrimination Act 1995 (as amended)
- Employment Rights Act 1996
- Equal Pay Act 1970
- Rehabilitation of Offenders Act 1974
- Employment Equality (Religion or Belief) Regulations 2003
- Employment Equality (Sexual Orientation) Regulation 2003
- The Equality Act (Sexual Orientation) Regulations 2007
- Employment Equality (Age) Regulations 2006
- Work and Families Act 2006
- The Equality Act 2006
- Protection from Harassment Act 1997
- Employment Act 2002
- Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000
- Fixed-term Employees (Prevention of Less Favourable Treatment) Regulations 2002.



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